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SECTION I: GENERAL PROVISIONS

1. Formation of Contract and Terms and Conditions

- (a) This Contract is Field's offer to SELLER. SELLER's signature on the Contract, acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER's unqualified acceptance of this Contract. SELLER's acceptance of this Contract creates a binding Contract between Field and SELLER, which shall be governed by the provisions of this Contract.
- (b) This Contract integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the Parties.
- (c) **Additional or differing terms or conditions proposed by SELLER or included in SELLER's acknowledgment hereof are hereby objected to by Field and have no effect unless accepted in writing by Field.**

2. Applicable Laws

- (a) This Contract shall be governed by the laws of the state of Oklahoma, excluding its choice of laws rules, except that any provision in this Contract that is (i) incorporated in full text or by reference from the Federal Acquisition Regulations (FAR), (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR, or (iii) substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, Boards of Contracts Appeals, and quasi-judicial agencies of the Federal Government.
- (b)
 - (1) SELLER agrees to comply with all applicable laws, orders, rules, regulations, and ordinances.
 - (2) If, as a result of any violation of applicable laws, orders, rules, regulations, or ordinances by SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, (i) Field's contract price or fee is reduced; (ii) Field's costs are determined to be

unallowable; (iii) any fines, penalties, or interest are assessed on Field; or (iv) Field incurs any other costs or damages; Field may proceed as provided for in (4) below.

(3) Where submission of cost or pricing data is required or requested at any time prior to or during performance of this Contract, if SELLER or its lower-tier subcontractors (i) submit and/or certify cost or pricing data that are defective; (ii) with notice of applicable cutoff dates and upon Field's request to provide cost or pricing data, submit cost or pricing data, whether certified or not certified at the time of submission, as a prospective subcontractor, and any such data are defective as of the applicable cutoff date on Field's Certificate of Current Cost or Pricing Data; (iii) claim an exception to a requirement to submit cost or pricing data and such exception is invalid; (iv) furnish data of any description that is inaccurate; or (v) if the U.S. Government alleges any of the foregoing, and, as a result, (1) Field's contract price or fee is reduced; (2) Field's costs are determined to be unallowable; (3) any fines, penalties or interest are assessed on Field; or (4) Field incurs any other costs or damages; Field may proceed as provided for in (4) below.

(4) If any of the circumstances identified in (2) and (3) above occur, Field may make a reduction of corresponding amounts (in whole or in part) in the price, or in the costs and fee, of this Contract or any other contract with SELLER, and may demand payment (in whole or in part) of the corresponding amounts. SELLER shall promptly pay amounts so demanded.

(5) These rights and obligations shall survive the termination or completion of this Contract

(c) In particular, if the Work is to be shipped to or performed in the United States:

(1) SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to Field hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended.

(2) SELLER shall provide to Field with each delivery any Material Safety Data Sheet applicable to the Work in conformance with and containing such information as required by the Occupational Safety and Health Act (OSHA) of 1970 and regulations promulgated thereunder, or the state-approved counterpart to OSHA.

3. Assignment and Subcontracting

(a) Any assignment of SELLER's contract rights or delegation of duties shall be void, unless prior written consent is given by Field. However, SELLER may assign rights to be paid amounts due, or to become due, to a financing institution if Field is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of any such amounts. Amounts assigned to an assignee shall be subject to setoffs or recoupment for any present or future claims of Field against SELLER. Field shall have the right to make settlements and adjustments in price with SELLER without notice to the assignee.

(b) Without Field's written consent, SELLER will not subcontract for the design, development, or procurement of any substantial portion of goods or services under this contract. This limitation does not apply to SELLER's purchases of standard commercial supplies or raw materials.

(c) In no event shall SELLER furnish to any assignee any part of this contract that is marked "Top Secret," "Secret," or "Confidential."

4. Communication with Field Customer

(a) Field shall be solely responsible for all liaison and coordination with the Field customer, including the U.S. Government, as it affects the applicable Prime Contract, this Contract, and any related contract.

(b) Unless otherwise directed in writing by the authorized Field Procurement Representative, all documentation requiring submittal to, or action by, the government or the Contracting Officer shall be routed to, or through, the Field Procurement Representative, or as otherwise permitted by this Contract.

5. Contract Direction

(a) Only the Field Procurement Representative has authority to amend this Contract. Such amendments must be in writing.

(b) Field engineering and technical personnel may render assistance or give technical advice or discuss or effect an exchange of information with SELLER's personnel concerning the Work hereunder. Such actions shall not be deemed to be a change under the **Changes** clause of this Contract (FAR 52.243-1) and shall not be the basis for equitable adjustment.

(c) Action or direction by any Field customer shall not be deemed to be a change under the **Changes** clause of this Contract and shall not be the basis for equitable adjustment.

(d) Except as otherwise provided herein, all notices to be furnished by the SELLER shall be sent to the Field Procurement Representative.

6. Definitions

The following terms shall have the meanings set forth below:

(a) "Contract" means the instrument of contracting, (e.g., PO, Purchase Order, or other such designation), including all referenced documents, exhibits, and attachments. If these terms and conditions are incorporated into a master agreement that provides for releases (in the form of a Purchase Order or other such document), the term "Contract" shall also mean the release document for the Work to be performed.

(b) "FAR" means the Federal Acquisition Regulation, issued as Chapter 1 of Title 48, Code of Federal Regulations.

(c) "Field" means ASES, LLC d/b/a Field Aerospace.

(d) "Field Procurement Representative" means the person authorized by Field's cognizant procurement organization to administer this Contract.

- (e) "PO" or "Purchase Order" as used in any document constituting a part of this Contract shall mean this Contract.
- (f) "SELLER" means the Party identified on the title page of the Contract, with whom Field is contracting.
- (g) "Work" means all required articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

remedies, including, but not limited to, injunctive relief or specific performance.

- (f) Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance of this Contract as directed by the Field Procurement Representative.

8. Compliance with Export Control Regulations / Disclosure of Classified Information

- (a) SELLER agrees to comply fully with all applicable U.S. export control laws, including but not limited to the US International Traffic in Arms Regulations and the US Export Administration Regulations.
- (b) Definitions: For the purposes of this contract and the contemplated work effort, subject to the definitions set forth in the US International Traffic in Arms Regulations, the following definitions apply.
 "Controlled Technology". Technical data, defense services, and defense articles as defined and identified under the US International Traffic in Arms Regulations (ITAR) and/or dual use articles as defined and identified under the US Export Administration Regulations (EAR).
 "Export". The delivery of controlled technology to a foreign person.

"Foreign Person". Any natural person who is not a lawful permanent resident as defined by 8 U.S.C. 1101(a)(20) or who is not a protected individual as defined by 8 U.S.C. 1324b(a)(3), and any entity not incorporated or organized to do business in the United States.

- (c) The work effort contemplated under this Contract includes the export of controlled technology; i.e., defense services performed for a foreign person or entity, hardware on the US Munitions List (USML) or the Commodity Control List (CCL), and technical data associated with USML or CCL articles or services. Export authority shall be obtained by SELLER from the Department of State or the Department of Commerce, as applicable and in accordance with the separate regulations of each agency, prior to the export of controlled technology.
- (d) SELLER must be registered with the Directorate of Defense Trade Controls (DDTC) to perform work effort under this Contract. SELLER shall provide a written statement by the DDTC authorized Empowered Official certifying that SELLER has registered with DDTC and providing the expiration date of the SELLER'S registration. SELLER shall not be considered for work effort assignment under this Contract until said statement by its Empowered Official has been submitted to Field. SELLER shall provide Field with the name, position and contact information for its Empowered Official. SELLER shall notify Field of any change in SELLER'S registration with DDTC.

- (e) SELLER shall obtain authority before assigning any foreign persons or foreign sources to perform work under this Contract or before permitting any foreign persons or foreign sources to have access to any information, technical data, technology, services, software, equipment, or the direct product thereof, generated by or delivered SELLER under this Contract. "Foreign person" is any person who is not a citizen or national of the United States and includes individuals, foreign corporations, international organizations, and foreign governments. "Foreign source" includes vendors, subcontractors, and suppliers owned and controlled by a foreign person.

7. Disputes

- (a) Any dispute, controversy, or claim arising out of or relating to this Contract or default, termination, or invalidity hereof, shall be settled by arbitration under the rules of the American Arbitration Association, *with the following exception:*.

(1) *Field may not require independent contractors to utilize arbitration to resolve any claim under Title VII of the 1964 Civil Rights Act or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; or take any action to enforce any provision of an existing agreement with an independent contractor that requires the arbitration of such claims.*

(2) *SELLER agrees that it will not enter into or take any action to enforce similar arbitration agreements with respect to any employee or independent contractor performing work related to such contracts. (Effective June 17, 2010; Applicable to subcontracts in excess of \$1 million)
 Note: A certification to above provision is included in the Certifications Section of this document.*

- (b) The place of the arbitration shall be Oklahoma. The language to be used in the arbitral proceedings shall be English. Judgment of the arbitrators shall be final and non-appealable and may be entered in any court having jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of the enforcement. Each Party shall bear its own expenses of the arbitration, but the fees and costs of the arbitrators shall be borne equally between the Parties participating in the arbitration.
- (c) Consistent with the expedited nature of arbitration, each party will, upon the written request of the other party, promptly provide the requesting party with copies of documents relevant to the issues raised by any claim or counter claim. Any dispute regarding discovery, or the relevance or scope thereof, shall be determined by the arbitrators, whose determination shall be conclusive. All discovery shall be completed within thirty (30) days following the appointment of the arbitrators.
- (d) No action at law or in equity may be commenced by Field or SELLER under or arising from this Contract unless it is brought within two years after the accrual of the cause of action upon which the claim is based, regardless of whether Field or SELLER knew or should have known of the accrual of any such cause of action.
- (e) Notwithstanding the foregoing, in the event of a breach or threatened breach by Field or SELLER under the *Confidentiality* or *Intellectual Property* provisions of this Contract, Field or SELLER may forego arbitration under this provision and seek immediate judicial and equitable

- (f) SELLER certifies that all SELLER employees are, and will be, a US Citizen, or a permanent resident as defined by 8 U.S.C. 1101(a)(20) or a protected individual as defined by 8 U.S.C. 1324b(a)(3) except as approved by Field in writing.
- (g) SELLER certifies that SELLER will not employ foreign persons to perform work under this Contract, or permit foreign persons to have access to controlled data without first obtaining written permission from Field and export authority as required by US regulations.
- (h) SELLER shall immediately notify Field in writing when work effort involving controlled technology is assigned to SELLER. The written notification to Field shall state the type of controlled technology involved, the type of export authority required or to be relied on in compliance with US export control law or regulations, and the proposed date of export. SELLER, upon the request of Field and without additional cost, shall provide such information as may be required by Field to support necessary applications for export authority covering any services, data or articles provided by SELLER.
- (i) SELLER shall provide Field with a monthly report of all exports of services, data or hardware made under this Contract, regardless of whether the export thereof is controlled by the US Government.
- (j) SELLER shall consult with Field regarding export authority requirements for SELLER'S work effort, comply with Field decisions regarding the necessity for Technical Assistance Agreements and Export Licenses, and either obtain necessary export authority or participate in export authority request by Field, as determined by Field.
- (k) SELLER shall establish a written procedure for compliance with US export control regulations and provide Field with a copy of said procedure on request.
- (l) With notice and within regular business hours, SELLER shall permit Field to conduct an audit of export compliance documentation relative to the work effort under this Contract.
- (m) SELLER shall timely comply with Field requests for the delivery of documentation related to the export or licensing of controlled technology arising under this Contract.
- (n) SELLER shall notify Field in writing of any known or suspected violation of any US export control law or regulation immediately upon becoming aware of said known or suspected violation.
- (o) SELLER shall immediately notify the Field Procurement Representative if SELLER is listed in any government list of persons or entities who are denied or restricted from exercising US export privileges, including but not limited to a Denied Parties List or Restricted Parties List; or, if SELLER's export privileges are otherwise denied, suspended, or revoked in whole or in part by the U.S. Government or any agency thereof.
- (p) SELLER is solely liable for its obligation to comply with US Export Control laws and regulations and may not defend its failure to fully comply with US Export Control laws and regulations on the basis of decisions, actions, determinations, or directives made by Field. Field has no liability for SELLER'S failure to fully comply with US Export Control laws or regulations.

- (q) SUBCONTRACTORS: In the event SELLER proposes to, or does, retain the services of a sub-contractor, SELLER shall notify Field in writing of the Subcontractors name, address, contact information, and DDTC registration status. Each subcontractor arising from sublicensing under this Contract shall be required to comply with the terms and conditions of this provision. SELLER is hereby notified that Technical Assistance Agreements may prohibit sublicensing.

(r) DISCLOSURE COMPLIANCE OF CLASSIFIED ARTICLES, SERVICES OR INFORMATION

Any potential disclosure regarding defense articles, defense services and/or technical data to a foreign source or foreign party under the resultant contracts, the awardees must comply with the National Disclosure Policy-1 (NDP-1) and National, DoD and Army security regulations, including the National Industrial Security Policy Manual (NISPOM).

9. Extras

Work shall not be supplied in excess of quantities specified in the Contract. SELLER shall be liable for handling charges and return shipment costs for any excess quantities.

10. Furnished Property

- (a) Field may provide to SELLER property owned by either Field or its customer (Furnished Property). Furnished Property shall be used only for the performance of this Contract.
- (b) Title to Furnished Property shall be retained by Field or its customer. SELLER shall clearly mark (if not already marked) all Furnished Property to show ownership.
- (c) At Field's request or at completion of this Contract the SELLER shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposal as may be directed by Field.
- (d) With respect to government-furnished property, or property to which the government may take title under this Contract:
 - (1) Far Clause 52.245-19 Government Property Furnished "As Is" (APR1984) applies. Said clause is incorporated by reference, except as used therein "Government" means "Field" except in the phrases "Government-Furnished Property" and "Government Property," and in references to government title to property. "Contracting Officer" means "Field."
 - (2) For fixed-price orders, the clause at FAR 52.245-2 (December 1989) shall apply. Said clause is incorporated by reference, except as used therein "Government" means "Field" except in the phrases "Government-Furnished Property" and "Government Property," and in references to government title to property. "Contracting Officer" means "Field."
 - (3) For time-and-material orders, the clause at FAR 52.245-5 (MAY 2004) shall apply and is incorporated by reference, except for paragraph (g)(1) which is deleted in its entirety and replaced by: Except for reasonable wear and tear, SELLER assumes all risk of loss, destruction, or damage of Furnished Property while in SELLER's possession, custody, or control. Upon request, SELLER shall provide Field with adequate proof of insurance

against such risk of loss. SELLER shall promptly notify Field of, any loss or damage. Without additional charge, SELLER shall manage, maintain, and preserve Furnished Property in accordance with good commercial practice.

In FAR 52.245-5, "Government" means "Field" except in the phrases "Government-Furnished Property" and "Government Property," and in references to government title to property. "Contracting Officer" means "Field."

- (4) SELLER shall provide to Field immediate notice of any disapproval, withdrawal of approval, or non-acceptance by the government of its property control system.
- (5) Far 52.247-55 "F.O.B. Point for Delivery of Government Furnished Property JUN 2003" applies.

11. Gratuities and Kickbacks

- (a) No gratuities (in the form of entertainment, gifts, or otherwise) or kickbacks shall be offered or given by SELLER to any employee of Field with a view toward securing favorable treatment as a supplier.
- (b) **By accepting this Contract, SELLER certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 USC 51-58), both of which are incorporated herein by this specific reference, except that paragraph (c)(1) of FAR 52.203-7 shall not apply.**

12. Indemnification

- (a) The SELLER shall indemnify Field against all liability that may result from any claim, action, or suit by any person, based on any alleged injury to or death of any person or damage to or loss of any property that may occur or that may be alleged to have been caused by the SELLER in the course of performance of this Contract by the SELLER, including but not limited to, liability caused by SELLER'S employees' use of weapons. The SELLER shall pay all charges of attorneys in connection therewith and, if any judgment shall be rendered against Field in any such action or actions, the SELLER shall satisfy and discharge the same without cost or expense to Field. However, this indemnity shall not apply to claims, actions, or suits resulting from Field's negligence.
- (b) Field shall indemnify the SELLER against all liability that may result from any claim, action, or suit by any person, based on any alleged injury to or death of any person or damage to or loss of any property that may occur or that may be alleged to have been caused by Field in the course of performance of this Contract. Field shall pay all charges of attorneys in connection therewith and, if any judgment shall be rendered against the SELLER in any such action or actions, Field shall satisfy and discharge the same without cost or expense to the SELLER.

13. Independent Contractor Relationship

- (a) SELLER is an independent contractor in all its operations and activities hereunder. The employees used by SELLER to perform Work under this Contract shall be SELLER'S employees exclusively, without any relation whatsoever to Field, and shall not be entitled to participate in or receive any of Field's employee benefits.

- (b) SELLER shall be responsible for all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and settlement, and court costs, arising from any act or omission of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, relating in any way to or affecting the performance of any of its obligations under this Contract.

14. Information of Field

Information provided by Field to SELLER remains the property of Field. SELLER agrees to comply with the terms of any confidential disclosure agreement with Field and to comply with all proprietary information markings and restrictive legends applied by Field to anything provided hereunder to SELLER.

SELLER agrees not to use any Field-provided information for any purpose except to perform this Contract and agrees not to disclose such information to third parties without the prior written consent of Field.

15. Information of SELLER

SELLER shall not provide any proprietary information to Field without prior execution by Field of a confidential disclosure agreement.

16. Insurance and Liability to Third Parties

In the event that SELLER, its employees, agents, or subcontractors enter Field's or its customer's premises for any reason in connection with this Contract, or regardless of the premises or locations required by this contract, SELLER, as well as its subcontractors and lower-tier subcontractors, shall procure and maintain at least the following kinds of insurance and minimum liability coverage during any period of contract performance:

- (a) Worker's compensation and Employers' Liability Insurance in compliance with applicable compensation and occupational disease statutes. Employers' liability coverage in the minimum amount of \$100,000.
- (b) Comprehensive general liability and bodily injury liability insurance in the minimum limits of \$500,000 per occurrence.
- (c) Comprehensive automobile liability insurance policy shall provide bodily injury liability and property damage liability covering the operation of all automobiles used in connection with the performance of the contract in the minimum amounts of \$200,000 per person and \$500,000 per occurrences for bodily injury and \$20,000 per occurrence for property damage.
- (d) Property damage insurance in reasonable amounts, and such other insurance as Field may require, as stated in the contract schedule, and shall comply with all site requirements. Such insurance shall be written through a licensed carrier, with a financial rating of no less than A-, in the respective state of operation and shall meet all legal minimum requirements of same state.

SELLER shall indemnify and hold harmless Field, its officers, employees, and agents from any and all losses, costs, claims, causes of action, damages, liabilities, and expenses, including (but not limited to) attorneys' fees, all expenses of litigation and settlement, and court costs, by reason of property damage or personal injury to any person caused in whole or in part by the actions or omissions of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier. SELLER shall provide Field thirty (30) days advance written notice prior to the

effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance. If requested, SELLER shall send a Certificate of Insurance showing SELLER's compliance with these requirements. SELLER shall name Field as an additional insured for the duration of this Contract. Insurance maintained pursuant to this clause shall be considered primary as respects the interest of Field and is not contributory with any insurance which Field may carry.

17. Intellectual Property Infringement

SELLER warrants that the Work performed and delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. SELLER agrees to defend, indemnify, and hold harmless Field and its customers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys' fees, arising out of any action by a third party that is based on a claim that the Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any person or entity.

18. Language and Standards

All reports, correspondence, drawings, notices, markings, and other communications shall be in the English language. The English version of the Contract shall prevail. Unless otherwise provided in writing, all documentation and work shall use the units of U.S. standard weights and measures.

19. New Materials

The Work to be delivered hereunder shall consist of new materials, as defined in FAR 52.211-5 (not used, reconditioned, remanufactured, or of such age as to impair usefulness or safety).

20. Offset Credit and Cooperation

All offset or countertrade credit value resulting from this Contract shall accrue solely to the benefit of Field. SELLER agrees to cooperate with Field in the fulfillment of any foreign offset or countertrade obligations.

21. Packing and Shipment

- (a) Unless otherwise specified, all Work is to be packed in accordance with good commercial practice to prevent damage and deterioration during shipping, handling, and storage.
- (b) A complete packing list shall be enclosed with all shipments. SELLER shall mark containers or packages with necessary lifting, loading, and shipping information, including the Field contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Contract number.
- (c) For Work shipped within the United States, unless otherwise specified, delivery shall be FOB Destination. For Work imported into the United States, unless otherwise specified, delivery shall be DDP Field's facility indicated on the title page of the Contract in accordance with *INCOTERMS 2000*.

22. Parts Obsolescence

Field may desire to place additional orders for items purchased hereunder. SELLER shall provide Field with a Last Time Buy Notice at least twelve (12) months prior to any action to discontinue any item purchased under this Contract.

23. Payments—Time and Material Task Orders

For time-and-materials task orders, Field shall pay the SELLER as follows, upon the submission of invoices approved by Field.

(a) Hourly Rate

- (1) The amounts computed by multiplying the appropriate hourly rates, as set forth in the Indefinite Delivery/Indefinite Quantity (ID/IQ) contract article Labor Categories and Billing Rates, by the number of direct labor hours performed. The hourly rates shall include wages, overhead, general and administrative expense, and profit. Fractional parts of an hour or day shall be payable on a prorated basis. SELLER shall submit invoices for payment to Field monthly, except that small businesses may invoice biweekly. The SELLER will substantiate invoices by evidence of actual payment and by requiring completion of individual daily job time cards/sheets signed by an authorized supervisor, or such other substantiation approved by Field. After receipt of each substantiated invoice, Field shall, except as otherwise provided in this Contract and subject to the provisions of F and G below, make payment thereon as approved by Field.
 - (2) As specified in the task order, Field may withhold 5% of the amount due under this paragraph A from each payment, but the total amount withheld shall not exceed \$50,000. Field shall withhold such amounts until the execution and delivery of a release by the SELLER as provided in paragraphs F and G below.
 - (3) The hourly rates set forth in the schedule shall not be changed by the SELLER, having performed work on an overtime basis, unless Field authorizes different rates for overtime in the task order. If the task order provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent that the overtime is approved in advance by Field. Nothing in this Contract shall excuse the SELLER from any legal requirement to pay its employees overtime.
 - (4) Payment terms are net forty-five (45) days.
- ### (b) Materials (Includes Subcontracts and Travel)
- (1) Field shall determine the allowability costs of direct materials in accordance with Part 31 of the Federal Acquisition Regulation (FAR) in effect on the date of this Contract. Reasonable and allocable material handling costs may be included in the charge for material to the extent they are clearly excluded from the Contract's hourly or daily rate. Material handling costs are indirect costs, including, when appropriate, general and administrative expenses allocated to direct materials in accordance with the SELLER's usual accounting practices consistent with Part 31 of the FAR. The SELLER shall be reimbursed for items and services purchased directly for the Contract only when cash, checks, or other forms of actual payment have been made for such purchased items or services. Direct materials, as referenced by this clause, are defined as those materials which enter directly into the Contract's end product, or which are used or consumed directly in connection with the furnishing of such end product or in the performance of this Contract.

- (2) The costs of any subcontracts that are authorized pursuant to the **Subcontracts** clause below shall be reimbursable costs, provided such costs are consistent with subparagraph (4) below. Reimbursable costs in connection with subcontracts shall be limited to the amounts paid to the subcontractor in the same manner as for items and services purchased directly for the Contract under subparagraph (1) above. Field shall not reimburse the CONTRACTOR for costs of subcontract administration when such costs are included in the hourly rates payable under paragraph A, subparagraph (1) above.
- (3) The costs of any travel which are required by task orders issued under this Contract shall be reimbursable costs, provided that Field shall reimburse only such travel costs that are consistent with the government's Joint Travel Regulations and FAR Part 31 and in accordance with SELLER's task order proposals, or are approved in writing by Field.
- (4) The SELLER shall, to the extent of its ability, procure materials at the most advantageous prices available, with due regard to securing prompt delivery of satisfactory materials. The SELLER shall take all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and other such benefits. When unable to take advantage of such benefits, it shall promptly notify Field of this and provide the reason why. Credit shall be given to Field for cash and trade discounts, rebates, allowances, credits, salvage, the value of resulting scrap (when the amount of such scrap is appreciable), commissions, and other amounts which have been accrued to the benefit of the SELLER, or would have so accrued except for the fault or neglect of the SELLER. Such benefits lost through no fault or neglect on the part of the SELLER, or lost through fault of Field, shall not be deducted from gross costs.
- (5) The requirement of payment before reimbursement shall not apply to the SELLER who is a small business concern, but Field has the right to reinstate the requirement of payment before reimbursement, at Field's sole discretion, by issuing a unilateral modification to the Contract.
- (6) For indirect cost rates, Field shall reimburse SELLER on the basis of either (a) final annual indirect cost rates and the appropriate bases established by SELLER and the government in effect for the period covered by the indirect cost rate proposal, or (b) rates established by the schedule article entitled *Quick Closeout Procedure*. Such rates and bases shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this Contract.
- (7) Field shall not pay profit or fee on any material, subcontract, or travel.
- (c) It is estimated that the total cost to Field for the performance of task orders under this Contract will not exceed the ceiling amount set forth in each task order, and the SELLER agrees to use its best efforts to perform the requirements of each task order within such ceiling amount. If at any time during performance of a task order the SELLER has reason to believe that the hourly or daily rate payments and material costs that will accrue in the performance of this Contract in the next succeeding thirty (30) days and, when added to all other payments and costs previously accrued, will exceed 75% of the ceiling amount stated in the task order, the SELLER shall notify Field of this and shall give its revised estimate of the ceiling amount to Field for the performance of the task order, together with supporting reasons and documentation. If at any time during performance of a task order the SELLER has reason to believe that the ceiling amount for the performance of the task order will be substantially greater or less than ceiling amount stated in the task order, the SELLER shall so notify Field, giving its revised estimate of the ceiling amount, together with supporting reasons and documentation.
- (d) Field shall not be obligated to pay the SELLER any amount in excess of the funding limitation set forth in the task order, and the SELLER shall not be obligated to continue performance if to do so would exceed the funding limitation set forth in the task order, unless and until Field shall have notified the SELLER in writing that such funding limitation has been increased and shall have specified in such notice a revised ceiling, which shall then be the funding limitation for performance of the task order. When, and to the extent that the funding limitation set forth in the task order has been increased, any hours expended and material costs incurred by the SELLER in excess of the funding limitation prior to the increase shall be allowable to the same extent as if such hours or days expended and material costs had been incurred after such increase in the funding limitation.
- (e) At any time or times prior to final payment under this Contract, Field may cause to be made such audit of the invoices and substantiating material as shall be deemed necessary. Each payment theretofore made shall be subject to reduction to the extent of amounts that are found by Field not to have been properly payable, and shall also be subject to reduction for overpayments, or to increase for underpayments, on preceding invoices. Upon receipt and approval of the invoice designated by the SELLER as the "task order final invoice" or upon compliance by the SELLER with all provisions of this Contract (including, without limitation, provisions relating to reports, patents, and the provisions of F and G below), Field shall, as promptly as may be practicable, pay any balance due and owing the SELLER. The final invoice, together with substantiating information and documentation, shall be submitted by the SELLER as promptly as may be practicable following completion of the work under the task order, but in no event later than sixty (60) days from the date of such completion (or such longer period as Field may, at its discretion, approve in writing).
- (f) The SELLER and each assignee, under an assignment entered into under this Contract and in effect at the time of final payment under this Contract, shall execute and deliver at the time of and, as a condition precedent to final payment under this Contract, a release in form satisfactory to Field, discharging Field, its trustees, officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this Contract. Field shall provide a release form to the SELLER for this purpose.
- (g) The SELLER agrees that any refunds, rebates, or credits (including any interest thereon) accruing to or received by the SELLER or any assignee, which arise under the materials portion of the Contract and for which the SELLER has received reimbursement, shall be paid by the SELLER to Field. The SELLER and each assignee, under an assignment entered into under this Contract and in effect at the time of final payment under each task order, or the ID/IQ Contract as Field shall specify, shall execute and deliver at the time of and as a condition precedent to final payment an assignment to Field of such refunds, rebates, or credits (including any interest thereon) in form and substance satisfactory to Field. Field shall provide an assignment form to the SELLER for this purpose.

24. Payments—Fixed-Price Task Orders

For fixed-price task orders, Field shall pay the SELLER, upon submission of invoices approved by Field, a lump sum on completion of task order work, or performance-based payments

for achievement of performance events as specified in the task order, or otherwise as specified by Field in the task order. Either Field or SELLER at Field's discretion may propose dollar values, and all such values shall have a reasonable relationship to the value of the work performed.

25. Payments, Taxes, and Duties

- (a) Unless otherwise provided, terms of payment shall be net forty five (45) days from the latest of the following: (i) Field's receipt of the SELLER's proper invoice; (ii) Scheduled delivery date of the Work (SELLER's proper invoice required); or (iii) Actual delivery of the Work (SELLER's proper invoice required). Field shall have a right of setoff against payments due or at issue under this Contract or any other Contract between the Parties.
- (b) Payment shall be deemed to have been made as of the date of Field's mailed payment or electronic funds transfer.
- (c) Unless otherwise specified, prices include all applicable federal, state, and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice. Prices shall not include any taxes, impositions, charges or exactions for which Field has furnished a valid exemption certificate or other evidence of exemption.
- (d) All taxes, assessments and similar charges levied with respect to or upon any such products or Work owned by Field while in SELLER's possession or control, and for which no exemption is available, shall be borne by SELLER.
- (e) For cost reimbursement subcontracts with provisional billing rates, the SELLER agrees to adjust interim vouchers within 90 days after receipt of revised provisional billing rates and to certify on all invoices that such invoices incorporate the most current provisional billing rates.
- (f) The prices stated in the contract are firm, fixed prices in United States dollars.

26. Precedence

Any inconsistencies in this Contract shall be resolved in accordance with the following (in descending order of precedence): (1) face of the Purchase Order, release document or schedule (which may include continuation sheets), as applicable, including any special terms and conditions; (2) any master agreement, such as corporate, sector, or blanket agreements; (3) these General Provisions; and (4) Statement of Work.

27. Priority Rating

If so identified, this Contract is a "rated order," certified for national defense use, and the SELLER shall follow all the requirements of the *Defense Priorities and Allocation System Regulation* (15 C.F.R. Part 700).

28. Quality Control System

Unless this Contract contains other specific quality requirements,

- (a) SELLER shall provide and maintain a quality control system to an industry-recognized quality standard for the Work covered by this Contract.

- (b) Records of all quality control inspection work by SELLER shall be kept complete and made available to Field and its customers during the performance of this Contract and for such longer periods as may be specified.
- (c) Field, customer, and regulatory authorities will have access to all quality management system documentation upon request.
- (d) The supplier may be required to submit to initial and follow-up audits of their quality management system by Field or regulatory authorities to become, or remain, an approved supplier.
- (e) For suppliers manufacturing items to Field or customer-provided design data or suppliers providing Aerospace related products/services, the following requirements shall apply, where appropriate:
 - (1) If the supplier determines during production the product (intended for use or delivery to Field) does not conform to requirements, this product shall be identified and controlled. The supplier shall provide timely notification to Field regarding the nonconforming product.
 - (2) If the supplier determines at any time after delivery of product to Field the product does not conform to requirements, the Seller shall notify Field within 24 hours of the nonconforming product.
 - (3) If the supplier determines during inspection the product (intended for use or delivery to Field) does not conform to requirements, this product shall be identified and controlled. The supplier shall hold the product until dispositioned and approved by Field.
 - (4) Supplier shall provide notification to Field of any change in product design, materials, or production processes from those originally specified or quoted.
 - (5) Supplier shall provide notification to Field of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain Field approval.
 - (6) Supplier shall provide access to Field, Field customers, and all applicable regulatory authorities to applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.
 - (7) Supplier shall flow down to the supply chain the applicable requirements including customer requirements and key characteristics.
- (f) Where a supplier is designing hardware, Field shall participate in all design review activities and reserves the right to approve preliminary designs prior to proceeding to detailed design and final designs prior to proceeding to fabrication.
- (g) For design, development, or manufacturing work affecting high-value, safety critical systems, Field may require that the supplier be certified to AS9100, ISO 9001, or an FAA certificated quality system under FAR Part 145 or FAR Part 21.
- (h) Field shall participate in any technical interchange meetings where the supplier is presenting information to our customers.

29. Release of Information

Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Contract or the subject matter hereof, will be made by SELLER without the prior written approval of Field.

30. Source Surveillance

In addition to inspections as otherwise provided in this Contract, and at no increase in Contract price, Field may assign product assurance representatives to SELLER's facilities to conduct and maintain surveillance as necessary to ensure quality and reliability. SELLER likewise shall reserve such right to Field with respect to SELLER's lower-tier subcontractors. If such examination is made, SELLER shall provide, and require its subcontractors to provide, such representatives with reasonable facilities, equipment, and unescorted access (except in areas where proprietary processes or data are located, in which case access shall be on an escorted basis) to all areas essential to the proper conduct of the above described activity.

31. Subcontracts

- (a) If this Contract is primarily for the purpose of furnishing services, no subcontract shall be made by the SELLER with any other Party for furnishing all or substantially all of the Work or services herein contracted for without the advance written approval of Field; however, this provision shall not be construed to require the approval of contracts of employment between the SELLER and personnel assigned for services hereunder.
- (b) The SELLER shall give Field immediate written notice of any action or suit filed and prompt notice of any claim made against the SELLER by any subcontractor or vendor that, in the opinion of the SELLER, may result in litigation related in any way to this Contract, with respect to which the SELLER may be entitled to reimbursement from Field.
- (c) No subcontract placed under this Contract shall provide for payment on a cost-plus-a-percentage-of-cost-basis, and any fee payable under cost-reimbursement, lower-tier subcontracts shall not exceed the fee limitations in paragraph 15.404-4(c)(4) (formerly 15.903(d)) of the FAR.

32. Survivability

If this Contract expires, is completed, or is terminated for default or convenience, SELLER shall not be relieved of those obligations contained in this Contract for the following provisions:

- (a) Applicable Laws²
Export Control Compliance 8
Independent Contractor Relationship
Information of Field
Insurance or Entry on Field Property¹⁶
Intellectual Property Infringement¹⁷
Release of Information²⁹
Warranty
- (b) Those U.S. Government flowdown provisions that, by their nature, should survive.

33. Timely Performance

- (a) Time is of the essence in this Contract. SELLER's timely performance is a critical element of this Contract.

- (b) Unless advance shipment has been authorized in writing by Field, Field may store, at SELLER's expense, or return, shipping charges collect, all Work received in advance of the scheduled delivery date.
- (c) If SELLER becomes aware of difficulty in performing the Work, SELLER shall promptly notify Field, in writing, giving pertinent details. This notification shall not change any delivery schedule.
- (d) In the event of a termination for convenience or change, no claim will be allowed for any manufacture or procurement in advance of SELLER's normal flow time unless Field has given prior written consent.

34. Waiver, Approval, and Remedies

- (a) Failure by Field to enforce any provisions of this Contract shall not be construed as a waiver of the requirements of such provisions, or as a waiver of the right of Field thereafter to enforce each and every such provisions.
- (b) Field's approval of documents shall not relieve SELLER from complying with any requirements of this Contract.
- (c) The rights and remedies of Field in this Contract are in addition to any other rights and remedies provided by law or in equity.

35. Warranty

- (a) In addition to SELLER's standard warranty, SELLER warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, descriptions, and other requirements of this Contract and be free from defects in design, material, and workmanship. All warranties shall survive inspection, test and acceptance of, and payment for, the Work. All warranties shall run to Field and its successors, assigns, and customers. The warranty shall extend for a period of one (1) year after Field's final acceptance unless a different period is set forth elsewhere in this Contract. If any nonconformity of the Work appears within that time, SELLER shall promptly repair, replace, or re-perform the Work, at Field's option. Transportation of replacement Work, return of nonconforming Work, and repeat performance of Work shall be at SELLER's expense. Work required to be corrected or replaced shall be subject to this provision and the **Inspection and Acceptance** provision of this Contract (FAR 52.246-2 and 52.246-4) in the same manner and to the same extent as Work originally delivered under this Contract. If repair, replacement, or re-performance of Work is not timely, Field may elect to return the nonconforming Work or repair, replace Work, or re-procure the Work at SELLER's expense.
- (b) SELLER further warrants that all software, firmware, and hardware (products) provided by SELLER, having date-dependent functionality containing or calling on a calendar function to process date and time data, will accurately process the date and time data (including, but not limited to, inputting, storing, manipulating, comparing, calculating, updating, displaying, outputting, and transforming such dates and data).
 - (1) In the event of a discovery of any date-dependent functionality noncompliance, the discovering party shall notify the other party within five (5) business days. At Field's option, the noncompliant products shall be repaired or replaced by SELLER within ten (10) business days of such notice at no cost to Field.

The date-dependent functionality warranty shall run to Field and its successors, assigns, and customers, and shall extend indefinitely after Field's final acceptance.

- (2) Nothing in this provision shall be construed to limit any other rights under this Contract, at law or in equity that Field may have with respect to date-dependent functionality compliance.

36. Equal Opportunity

- (a) The requirements of 41 CFR 60-300.5 are incorporated herein by reference and apply to any PO/Subcontract that exceeds \$100,000.

This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

- (b) The requirements of 41 CFR 60-741.5 are incorporated herein by reference and apply to any PO/Subcontract that exceeds \$10,000.

This contractor and subcontractor shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

SECTION II: FAR FLOWDOWN PROVISIONS

A. Incorporation of FAR Clauses

The Federal Acquisition Regulation (FAR) clauses and Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, during the performance of this Contract. If the date or substance of any of the clauses listed below is different than the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead.

B. Government Subcontract

This Contract is entered into by the Parties in support of a U.S. Government contract.

As used in the FAR and DFARS clauses referenced below and otherwise in this Contract:

1. "CONTRACTOR" means the SELLER, as defined previously in the **Definitions** provision of this document, acting as the immediate (first-tier) subcontractor to Field.
2. "Prime Contract" means the contract between Field and the U.S. Government or between Field and its higher-tier CONTRACTOR who has a contract with the U.S. Government.
3. "Contract" means this Contract.

4. "Subcontract" means any contract placed by the CONTRACTOR or lower-tier subcontractors under this Contract.

C. Notes

1. Substitute "Field" for "Government", "the Government" or "United States" as applicable throughout this clause.
2. Substitute "Field Procurement Representative" for "Contracting Officer," "Administrative Contracting Officer," and "ACO" throughout this clause.
3. Insert "and Field" after "Government" or "Contracting Officer," as appropriate, throughout this clause.
4. Insert "or Field" after "Government" throughout this clause.
5. Communication or notification required under this clause from or to the CONTRACTOR, and to or from the Contracting Officer shall be through Field.
6. "Contracting Officer" shall mean the U.S. Government Contracting Officer for Field's government Prime Contract under which this Contract is entered.

D. Amendments Required by Prime Contract

CONTRACTOR agrees that upon the request of Field it will negotiate in good faith with Field relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as Field may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this Contract causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the **Changes** clause of this Contract.

E. FAR Flowdown Clauses

REFERENCE TITLE

1. **The following FAR clauses apply to this Contract :**
 - (a) 52.202-1 Definitions (JUL 2004)
 - (b) 52.203-3 Gratuities (APR 1984) (See note 1)
 - (c) 52.203-5 Covenant Against Contingent Fees (APR 1984) (See note 1)
 - (d) 52.203-7 Anti-Kickback Procedures (JUL 1995)
 - (e) 52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (JAN 1997) (See note 1)
 - (f) 52.203-10 Price Or Fee Adjustment For Illegal Or Improper Activity (JAN 1997) (See note 1)
 - (g) 52-204-2 Security Requirements (AUG 1996)
 - (h) 52.211-5 Material Requirements (AUG 2000) (See Note 2.)
 - (i) 52.211-15 Defense Priority and Allocation Requirements (SEP 1990)

(j)	52.215-11	Price Reduction for Defective Cost or Pricing Data – Modifications (OCT 1997)		52.232-20 shall apply in lieu of this clause. See Notes 1 and 2.)
(k)	52.216-7	Allowable Cost and Payment (DEC 2002) (See notes 3 and 4)	(gg)	52.232-23 Assignment of Claims (JAN 1986) Alternate I (APR 1984) (See Note 2)
(l)	52.216-8	Fixed Fee (MAR 1997) (See note 3)	(hh)	52.232-32 Performance Based Payments (JAN 2008) (See Notes 1 and 2) Fill-in for (c)2.is “30 th day”.
(m)	52.216-11	Cost Contract – No Fee (APR 1984) (See note 1)	(ii)	52.233-4 Applicable Law for Breach of Contract Claim (OCT 2004)
(n)	52.216-24	Limitation Of Government Liability (APR 1994) (See note 1) (Fill in information will be flowed down on a Task order by Task Order basis.)	(jj)	52.239-1 Privacy or Security Safeguards (AUG 1996) (See Notes 1 and 2).
(o)	52.217-8	Option To Extend Services (NOV 1999) (See Note 3)	(kk)	52.241-4 Change in Class of Service (FEB 1995)
(p)	52.219-8	Utilization of Small Business Concerns (MAY 2004)	(ll)	52.242-1 Notice of Intent to Disallow Costs (APR 1984) (See Notes 1 and 2)
(q)	52.222-1	Notice to The Government Of Labor Disputes (FEB 1997) (See note 2)	(mm)	52.242-3 Penalties for Unallowable Costs (MAY 2001) (See notes 1 and 2)
(r)	52.222-3	Convict Labor (JUN 2003)	(nn)	52.242-4 Certification of Final Indirect Costs (JAN 1997) (See Note 2)
(s)	52.222-21	Prohibition of Segregated Facilities (FEB 1999)	(oo)	52.242-13 Bankruptcy (JUL 1995) (See Note 2.)
(t)	52.222-26	Equal Opportunity (APR 2002).	(pp)	52.242-15 Stop-Work Order (AUG 1989) and Alternate I (APR 1984) (See Notes 1 and 2.)
(u)	52.222-29	Notification Of Visa Denial (JUN 2003)	(qq)	52.243-1 Changes – Fixed Price (AUG 1987) and Alternate II (APR 1984) (See Notes 1 and 2.)
(v)	52.222.50	Combating Trafficking in Persons (FEB 2009)	(rr)	52.243-2 Changes – Cost Reimbursement (AUG 1987) Alternate V (APR 1984) (See Notes 1 and 2.)
(w)	52.223-5	Pollution Prevention and Right-to-Know (Aug 2003)	(ss)	52.243-3 Changes – Time-and-Materials or Labor-Hours (September 2000) (See Notes 1 and 2.)
(x)	52.223-6	Drug-Free workplace (MAY 2001) (See note 2)	(tt)	52.243-5 Changes and Changed Conditions (APR 1984) (See note 2)
(y)	52.224-1	Privacy Act Notification (APR 1984)	(uu)	52.244-5 Competition In Subcontracting (DEC 1996)
(z)	52.224-2	Privacy Act (APR 1984)	(vv)	52.244-6 Subcontracts for Commercial Items (FEB 2006)
(aa)	52.225-13	Restrictions on Certain Foreign Purchases (FEB 2006) (In paragraph (a), See Notes 5 and 6.)	(ww)	52.246-2 Inspection of Supplies – Fixed-Price (AUG 1996) (The government also may exercise any of Field’s inspection rights under this clause. See Notes 1 and 2.)
(bb)	52.227-14	Rights in Data—General (JUN 1987) and, when determined to be applicable by Field, Alternate I (JUN 1987), Alternate II (JUN 1987), Alternate III (JUN 1987), Alternate IV (JUN 1987), and Alternate V (JUN 1987).	(xx)	52.246-3 Inspection of Supplies – Cost Reimbursement (MAR 2001) (See Note 1 except in subparagraphs (b), (c), and (d) where Note 3 applies, and in paragraph (k) where the term “Government” is unchanged. In subparagraph (e), change “60 days” to “120 days,” and in subparagraph (f) change “6 months” to “12 months.” The government also may exercise any of Field’s inspection rights under this clause.)
(cc)	52.228-7	Insurance – Liability to Third Persons (MAR 1996) (See Note 2)		
(dd)	52.229-6	Taxes – Foreign Fixed-Price Contracts (JUN 2003) (See Note 1 and 2)		
(ee)	52.232-20	Limitation of Cost (APR 1984) (Applicable when this Contract becomes fully funded. See Notes 1 and 2.)		
(ff)	52.232-22	Limitation of Funds (APR 1984) (Applicable if this Contract is incrementally funded. When the Contract becomes fully funded FAR		

- (yy) 52.246-4 Inspection of Services – Fixed-Price (AUG 1996) (The Government also may exercise any of Field’s inspection rights under this clause. See Note 1.) 1 is not applicable to paragraph (e). Timely performance is a material element of this Contract.)
- (zz) 52.246-5 Inspection of Services--Cost-Reimbursement (APR 1984) (The government also may exercise any of Field’s inspection rights under this clause. See Notes 1 and 2.) (III) 52.249-14 Excusable Delays (APR 1984) (See Note 2)
- (aaa) 52.246-9 Inspection of Research and Development (Short Form) (APR 1984) (The Government also may exercise any of Field’s inspection rights under this clause. See Note 1.) (mmm) 52.253-1 Computer Generated Forms (JAN 1991)
- (bbb) 52.246-16 Responsibility for supplies (APR 1994).
- (ccc) 52.246-23 Limitation of Liability (FEB 1997) (See Note 4)
- (ddd) 52.246-24 Limitation of Liability – High- Value Items (Feb 1997) (See Note 4)
- (eee) 52.246-25 Limitation of Liability – Services (FEB 1997).(See Note 4)
- (fff) 52.247-34 F.o.b. Destination (NOV 1991).
- (ggg) 52.247-64 Preference for Privately Owned U.S. Flag commercial Vessels (FEB 2000) (See Note 2.)
- (hhh) 52.249-2 Termination for Convenience of the Government (Fixed-Price) (MAY 2004) (Applicable only for fixed-price delivery orders and contracts. See Notes 1 and 2. “Government” and “Contracting Officer” mean “Field” except in paragraph (n), where “Government” means Field and the “Government” and “Contracting Officer” means “Field” or the “Contracting Officer.” In paragraph (c), “120 days” is changed to “60 days.” In paragraph (d), “15 days” is changed to “30 days,” and “45 days” is changed to “60 days.” In paragraph (e), “1 year” is changed to “6 months.” Paragraph (j) is deleted. In paragraph (l), “90 days” is changed to “45 days.” Settlements and payments under this clause may be subject to the approval of the Contracting Officer.)
- (iii) 52.249-4 Termination for Convenience of the Government (Services) (Short Form) (APR 1984) (See Notes 1 and 2.)
- (jjj) 52.249-6 Termination (Cost-Reimbursement) (MAY 2004) (See Notes 1 and 2. Substitute “90 days” for “120 days” and “90-day” for “120-day” in subparagraph (d). Substitute “180 days” for “1 year” in subparagraph (f). Delete subparagraph (j). Settlements and payments under this clause may be subject to the approval of the Contracting Officer.)
- (kkk) 52.249-8 Default (Fixed-Price Supply and Service) (APR 1984) (Applicable only for fixed-price contracts or delivery orders. See Notes 1 and 2, except Note
- 2. The following FAR clauses apply to this Contract if the value of this Contract exceeds \$10,000:**
- (a) 52.222-36 Affirmative Action for Workers with Disabilities (JUN 1998)
- 3. The following Far clauses apply to this Contract if the value of this Contract is equal to or exceeds \$100,000:**
- (a) 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001)
- (b) 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001)
- (c) 52.248-1 Value Engineering (FEB 2000) (See Note 1, except in subparagraphs (c)(5) and (m), see Note 3.)
- 4. The following FAR clauses apply to this Contract if the value of this Contract exceeds \$100,000:**
- (a) 52.203-6 Restrictions on Subcontractor Sales to the Government (SEP 2006) Alternate 1 (OCT 1995)
- (b) 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (SEP 2005) (See Note 5.)
- (c) 52.215-2 Audit and Records-Negotiation (JUN 1999) (Insert “and the Field Purchasing Representative” after “the Contracting Officer or representatives of the Contracting Officer” or after “...representatives of the Contracting Officer who are employees of the government,” where indicated throughout the clause.)
- (d) 52.215-14 Integrity of Unit Prices (OCT 1997)-Alternate I (October 1997) (See Note 1)
- (e) 52.223-14 Toxic Chemical Release Reporting (AUG 2003) (See Notes 2 and 5; delete subparagraph (e).)
- (f) 52.227-1 Authorization and Consent (JUL 1995) and Alternate I (APR 1984) (Applicable only if the Prime Contract contains this clause. In the clause, in paragraph (a)(1), see Note 4, and in paragraph (a)(2)(ii) see Note 2.)
- (g) 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (AUG 1996) (See Notes 2 and 4.)
- 5. The following FAR clause applies to this Contract if the value of this Contract exceeds \$550,000:**
- (a) 52.219-9 Small Business Subcontracting Plan (JUL 2005 Alternate II (October 2001) (Applicable if the CONTRACTOR is not a

small business; see Notes 1 and 2, applicable to subparagraph (c) only; the CONTRACTOR's subcontracting plan is incorporated herein by reference.)

- (b) 52.219-16 Liquidated Damages – Subcontracting Plan (JAN 1999) (See Note 2)

6. The following FAR clauses apply to this Contract if the value of this Contract exceeds \$650,000:

- (a) 52.215-12 Subcontractor Cost or Pricing Data (October 1997) (Applicable if not otherwise exempt under FAR 15.403.)
- (b) 52.215-13 Subcontractor Cost or Pricing Data – Modifications (OCT 1997) (Applicable for modifications if not otherwise exempt under FAR 15.403.)

7. The following FAR clauses apply to this Contract as indicated:

- (a) 52.203-15 Whistleblower Protections under the American Recovery and Reinvestment Act of 2009 (Applicable if subcontract is funded with Recovery Act funds)
- (b) 52.204-2 Security Requirements (August 1996) (Applicable if the Work requires access to classified information; delete paragraph (c) of the clause.)
- (c) 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (Applicable if this award is 25K or above)
- (d) 52.215-10 Price Reduction for Defective Cost or Pricing Data (OCT 1997) (Applicable if FAR 52.215-12 applies to this Contract. See Notes 2 and 4. Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract.)
- (e) 52.215-11 Price Reduction for Defective Cost or Pricing Data – Modifications (OCT 1997) (Applicable if FAR 52.215-13 applies to this Contract, and FAR 52.215-10 is not applicable. See Notes 2 and 4. Rights and obligations under this clause shall survive completion of the work and final payment under this Contract.)
- (f) 52.215-15 Pension Adjustments and Asset Reversions (October 2004) (Applicable if this Contract meets the applicability requirements of FAR 15.408(g); see Note 5.)
- (g) 52.215-17 Waiver of Facilities Capital Cost of Money (OCT 1997) (Applicable only if the Contract is subject to the cost principles under FAR Subpart 31.2, and the CONTRACTOR did not propose facilities capital cost of money in its offer.)
- (h) 52.215-18 Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) Other Than Pensions (JUL 2005) (Applicable if this

Contract meets the applicability requirements of FAR 15.408(j); see Note 5.)

- (i) 52.215-19 Notification of Ownership Changes (October 1997) (Applicable if this Contract meets the applicability requirements of FAR 15.408(k); See Note 2.)
- (j) 52.215-20 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data (OCT 1997) – Alternate IV – Oct 1997) (See Note 2.) Definition is dependent upon Government Task Order solicitation requirement.
- (k) 52.215-21 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data – Modifications (OCT 1997) (See Note 2.)
- (l) 52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation (JUL 2005) (Applicable as prescribed in FAR 22.305.)
- (m) 52.227-10 Filing of Patent Applications – Classified Subject Matter (APR 1984) (Applicable if the Work or any patent application may cover classified subject matter.)
- (n) 52.227-11 Patent Rights – Retention by the Contractor (Short Form) (JUN 1997) (Applicable if CONTRACTOR is a small business or nonprofit organization performing experimental or research and development (R&D) work.)
- (o) 52.227-12 Patent Rights-Retention by the Contractor (Long Form) (January 1997) (Applicable to other than a small business or nonprofit organization performing experimental or R&D work.)
- (p) 52.227-13 Patent Rights-Acquisition by the Government (JAN 1997) (Applicable to work performed outside the US and its possessions, by entities that are other than a small business, nonprofit organization, or domestic firm, performing experimental or R&D work.)
- (q) 52.228-3 Workers' Compensation Insurance (Defense Base Act) (APR 1984)
- (r) 52.228-4 Workers' Compensation and War-Hazard Insurance Overseas (APR 1984)
- (s) 52.228-5 Insurance—Work on a Government Installation (JAN 1997) (Applicable if Work is performed on government installation. See Note 2.)
- (t) 52.230-2 Cost Accounting Standards (APR 1998) (When referenced in the Contract, full CAS coverage applies. In subparagraphs (a)(4)(ii) and (a)(5), see Note 1. Delete paragraph (b) of the clause.)
- (u) 52.230-3 Disclosure and Consistency of Cost Accounting Practices (APR 1998) (When referenced in the Contract, modified CAS coverage applies. In subparagraphs (a)(3)(ii)

- and (a)(4), see Note 1. Delete paragraph (b) of the clause.)
- (v) 52.230-6 Administration of Cost Accounting Standards (APR 2005) (Applicable if FAR 52.230-2 or FAR 52.230-3 applies.)
 - (w) 52.237-2 Protection of Government Buildings, Equipment, and Vegetation (APR 1984) (Applicable if Work is performed on government installation. See Note 2.)
 - (x) 52.237-3 Continuity Of Services (JAN 1991), (See Note 2)
 - (y) 52.239-1 Privacy or Security Safeguards (AUG 1996) (See notes 1 and 2)
 - (z) 52.243-6 Change Order Accounting (April 1984) (Applicable only if Prime Contract requires change order accounting. See Note 2; delete reference to the "Disputes" clause in the last sentence.)
 - (aa) 52.245-18 Special Test Equipment (FEB 1993) (Applicable if this contract involves the acquisition or fabrication of special test equipment. Notice to acquire shall be through Field. See Notes 4, 5, and 6.)
 - (bb) 52.247-63 Preference for U.S.-Flag Air Carriers (JUN 2003) (Applicable if this Contract involves international air transportation.)
 - (i) 252.227-7020 Rights In Data—Special Works (JUN 1995) (See note 2)
 - (j) 252.227-7021 Rights In Data—Existing Works (MAR 1979)
 - (k) 252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (JUN 1995) (For subparagraph (c)(1), See Note 3.)
 - (l) 252.227-7026 Deferred delivery of Technical Data Or Computer Software (APR 1998) (See note 1)
 - (m) 252.227-7027 Deferred Ordering of Technical Data or Computer Software (APR1988) (See Note 4.)
 - (n) 252.227-7030 Technical Data - Withholding of Payment (MAR 2000) (See Notes 1 and 2.)
 - (o) 252-227-7034 Patents—Subcontracts (APR 1984)
 - (p) 252.227-7037 Validation of Restrictive Markings on Technical Data (SEP 1999)
 - (q) 252.227-7039 Patents—Reporting Of Subject Inventions (APR 1990) (See note 2)
 - (r) 252.228-7000 Reimbursement for War-hazard Losses (DEC 1991) (See note 2.)
 - (s) 252.228-7003 Capture and Detention (DEC 1991) (See note 3)
 - (t) 252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (DEC1991) (In subparagraph (a), see Note 5; in subparagraph (b), see Note 3.)
 - (u) 252.231-7000 Supplemental Cost Principles (DEC 1991)
 - (v) 252.232-7008 Assignment of Claims (Overseas) (JUN 1997)
 - (w) 252.232-7010 Levies on Contract Payments (SEP 2005) See Note 2)
 - (x) 252.237-7019 Training for Contractor Personnel Interacting with Detainees (SEP 2005) (See Note 2)
 - (y) 252.239-7000 Protection Against Compromising Emanations (JUN 2004) (See notes 2 and 4)
 - (z) 252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services (DEC 1991) (Fill in information will be flowed down on a Task order by Task Order basis.)
 - (aa) 252.243-7001 Pricing of Contract Modifications (DEC 1991)
 - (bb) 252.243-7002 Certification of Requests for Equitable Adjustment (MAR 1998) (See Note 4.)
 - (cc) 252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contract) (NOV 2005)

F. DFARS Flowdown Clauses

If this contract is placed under a U.S. Government Department of Defense (DoD) contract, the following additional DFARS clauses apply.

REFERENCE TITLE

1. The following DFARS clauses apply to this Contract:

- (a) 252.204-7000 Disclosure of Information (DEC 1991) (See Notes 5 and 6.)
- (b) 252.204-7003 Control of Government Personnel Work Product (APR 1992)
- (c) 252-204-7005 Oral Attestation of Security Responsibilities (NOV 2001)
- (d) 252.215-7002 Cost Estimating System Requirements (OCT 1998) (See Note 1 and 2)
- (e) 252.222-7002 Compliance With Local Labor Laws (Overseas) (JUN 1997) (See Note 3. Paragraph (c) shall apply if and only if the Contracting Officer, through Field, approves reimbursement in writing.)
- (f) 252.223-7004 Drug Free Work Force (SEP 1998)
- (g) 252.225-7002 Qualifying Country Sources as Subcontractors (APR 2003)
- (h) 252.225-7004 Reporting of Contract Performance Outside the Untied States (JUN 2005)
- (i) 252.227-7020 Rights In Data—Special Works (JUN 1995) (See note 2)
- (j) 252.227-7021 Rights In Data—Existing Works (MAR 1979)
- (k) 252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (JUN 1995) (For subparagraph (c)(1), See Note 3.)
- (l) 252.227-7026 Deferred delivery of Technical Data Or Computer Software (APR 1998) (See note 1)
- (m) 252.227-7027 Deferred Ordering of Technical Data or Computer Software (APR1988) (See Note 4.)
- (n) 252.227-7030 Technical Data - Withholding of Payment (MAR 2000) (See Notes 1 and 2.)
- (o) 252-227-7034 Patents—Subcontracts (APR 1984)
- (p) 252.227-7037 Validation of Restrictive Markings on Technical Data (SEP 1999)
- (q) 252.227-7039 Patents—Reporting Of Subject Inventions (APR 1990) (See note 2)
- (r) 252.228-7000 Reimbursement for War-hazard Losses (DEC 1991) (See note 2.)
- (s) 252.228-7003 Capture and Detention (DEC 1991) (See note 3)
- (t) 252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (DEC1991) (In subparagraph (a), see Note 5; in subparagraph (b), see Note 3.)
- (u) 252.231-7000 Supplemental Cost Principles (DEC 1991)
- (v) 252.232-7008 Assignment of Claims (Overseas) (JUN 1997)
- (w) 252.232-7010 Levies on Contract Payments (SEP 2005) See Note 2)
- (x) 252.237-7019 Training for Contractor Personnel Interacting with Detainees (SEP 2005) (See Note 2)
- (y) 252.239-7000 Protection Against Compromising Emanations (JUN 2004) (See notes 2 and 4)
- (z) 252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services (DEC 1991) (Fill in information will be flowed down on a Task order by Task Order basis.)
- (aa) 252.243-7001 Pricing of Contract Modifications (DEC 1991)
- (bb) 252.243-7002 Certification of Requests for Equitable Adjustment (MAR 1998) (See Note 4.)
- (cc) 252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contract) (NOV 2005)

2. The following DFARS clause applies to this Contract if the value of this Contract exceeds \$30,000:

- (a) 252.209-7004 Subcontracting With Firms That Are Owned or Controlled By the Government of a Terrorist country (MAR 1998) (See Note 2)

3. The following DFARS clauses apply to this Contract if the value of this Contract exceeds \$100,000:

- (a) 252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (MAR 1999) (In this clause, the terms "contract," "contractor," and "subcontract" shall not change in meaning; Delete paragraph g; See Note 2.)
- (b) 252.209-7000 Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate Range Nuclear Forces (INF) Treaty (November 1995) (See Note 5.)Reserved
- (c) 252.247-7023 Transportation of Supplies by Sea (MAY2002)) (See Notes 1 and 2, except for paragraph (d) which shall retain its original meaning. In paragraph (g) delete the reference to the "Prompt Payment Act."

4. The following DFARS clause applies to this Contract if the value of this Contract exceeds \$500,000:

- (a) 252.226-7001 Utilization of Indian Organizations and Indian-Owned Economic Enterprises, and Native Hawaiian Small Business concerns (SEP 2004) (See note 2)

5. The following DFARS clause applies to the Contract if the value of this Contract exceeds \$550,000:

- (a) 252.225-7006 Quarterly Reporting of Actual Contract Performance Outside the United States (JUN 2005) For first tier subcontracts only. All reports are to be submitted to Field.

6. The following DFARS clause applies to this Contract if the value of this Contract equals or exceeds \$1,000,000:

- 252.205-7000 Provision of Information to Cooperative Agreement Holders (DEC 1991)

7. The following DFARS clauses apply to this Contract only if the stipulation in the relevant parenthetical applies:

- (a) 252.204-7008 Requirements for Contracts Involving Export-Controlled Items (July 2008) (Applicable if DFAR 252.204-7008 is in Field prime contract and export-controlled items (hardware, software, or technical data) are involved in performance of the subcontract)
- (b) 252.211-7007 Reporting of Government-Furnished Equipment in the DoD Item Unique Identification (IUID) Registry (Nov 2008) (Applicable if 52.245-1 applies)

- (c) 252.215-7000 Pricing Adjustments (DEC 1991) (Applicable if FAR 52.215-12 or 52.215-13 applies to this Contract.)

- (d) 252.219-7003 Small, Small Disadvantaged, and Women-Owned Small Business Subcontracting Plan (DoD Contracts) (APR 1996) (Applicable if FAR 52.219-9 applies to this Contract; delete subparagraph (g).)

- (e) 252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials (APR 1993)

- (f) 252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives (SEP 1999) Only applicable if this contract involves arms, ammunition, and explosives.)

- (g) 252.225-7001 Buy American Act and Balance of Payments Program (MAR 1998) (Substitute the DFARS clause for FAR clause 52.225-3 in all Contracts for supplies; applicable if the Work contains other than domestic components as defined by this clause)

- (h) 252.225-7008 Restriction on Acquisition of Specialty Metals (Applicable if Field award exceeds Simplified Acquisition Level and requires delivery of specialty metals as end items)

- (i) 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals (Applicable if in prime and Field award exceeds Simplified Acquisition Level and requires delivery of items @ (2)(i)(ii) of DFAR 225.7003-5)

- (j) 252.225-7012 Preference for Certain Domestic Commodities (Applicable if Field award exceeds Simplified Acquisition Level)

- (k) 252.225-7013 Duty-Free Entry (JUN 2006)

- (l) 252.225-7015 Restriction on Acquisition of Hand or Measuring Tools (Applicable if Field award exceeds Simplified Acquisition Level and requires delivery of hand tools)

- (m) 252.245-7001 Reports of Government Property (May 1994) (Applicable if government property is provided or acquired under this Contract. CONTRACTOR shall submit its required reports to Field, not later than October 10, notwithstanding anything to the contrary in this clause. See Note 5.)

- (n) 252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System. (Applicable if Contract is subject to Cost Accounting Standards {CAS}).

G. Certifications and Representations

- 1. The clauses listed below contain certifications and representations that are material representations of fact upon which Field will rely in making awards to CONTRACTOR. By

submitting its written offer, providing oral offers or quotations at the request of Field, or accepting any Contract, CONTRACTOR certifies to the representations and certifications as set forth in each of the clauses listed below. These certifications shall apply whenever these terms and conditions are incorporated by reference in any Contract, agreement, other contractual document or any quotation, request for quotation (oral or written), or request for proposal or solicitation (oral or written), issued by Field. CONTRACTOR shall immediately notify Field of any change of status with regard to these certifications and representations.

2. The following clauses of the FAR are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable to any order, agreement, or subcontract. In each clause incorporated below, substitute "FIELD" for "Government" and "Contracting Agency" and "FIELD Procurement Representative" for "Contracting Officer" throughout.

(a) 52.204-9 PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (JAN 2006)

(b) **The following FAR clauses apply to this Contract if the value of this Contract exceeds \$5,000,000 and the period of performance is more than 120 days:**

(1) 52.203-13 Contractor Code of Business Ethics and Conduct

(2) 52.203-14 Display of Hotline Posters (applies regardless of performance period)

By signing a contract or performing against a contract in which FAR 52.203-13 is applicable:

The contractor hereby certifies that they will comply with all elements of FAR 52.203-13 including timely disclosure, in writing, to the agency Office of the Inspector General (OIG), with a copy to the Contracting Officer, and the cognizant Field Procurement Representative whenever, in connection with the award, performance, or closeout of this contract or any subcontract there under, the Contractor has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed—

(A) A violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code; or

(B) A violation of the civil False Claims Act (31 U.S.C. 3729-3733).

The contractor also certifies that, within 30 days of signing a contract or performing against a contract in which FAR 52.203-13 is applicable, they will establish a written code of business ethics and conduct and will make a copy of the code available to each employee engaged in performance of the contract.

(c) 52.222-39 NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES (DEC 2004)

(d) 52.225-1 BUY AMERICAN ACT--BALANCE OF PAYMENTS PROGRAM--SUPPLIES (JUN 2003)

(e) 52.222-39 NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES (DEC 2004)

(f) 52.225-1 BUY AMERICAN ACT--BALANCE OF PAYMENTS PROGRAM--SUPPLIES (JUN 2003)

(g) 52.227-12 PATENT RIGHTS--RETENTION BY THE CONTRACTOR (LONG FORM) (JAN 1997)

(h) 252.211-7003 ITEM IDENTIFICATION AND VALUATION (JUN 2005)

(i) 252.223-7002 SAFETY PRECAUTIONS FOR AMMUNITION AND EXPLOSIVES (MAY 1994)

(j) 252.223-7003 CHANGE IN PLACE OF PERFORMANCE - AMMUNITION AND EXPLOSIVES (DEC 1991)

(k) 252.225-7043 ANTITERRORISM/FORCE PROTECTION POLICY FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES (MAR 2006)

(l) 252.251-7000 ORDERING FROM GOVERNMENT SUPPLY SOURCES (NOV 2004)

(m) 252.225-7040 CONTRACTOR PERSONNEL AUTHORIZED TO ACCOMPANY U.S. ARMED FORCES DEPLOYED OUTSIDE THE UNITED STATES (JUN 2006)

3. Conflict of Interest

To the best of the Offeror/SELLER's knowledge and belief, there is no actual or potential conflict of interest with respect to the performance of work under this contract or agreement; or, the Offeror/SELLER has notified Field in writing of such a conflict of interest and received written authorization from Field to continue in pursuit of a contract or agreement. If in the performance of a contract or agreement with Field the Offeror/SELLER becomes aware of an actual or potential conflict of interest, the Offeror/SELLER will immediately notify the Procurement Representative responsible for the contract or agreement in question.

4. Disputes

In accordance with the 2010 Department of Defense Appropriations Act, Public Law No. 111-118, Section 8116, SELLER certifies that it will not enter into or take any action to enforce arbitration agreements with any employee or independent contractor performing work related to subcontracts covered by these General Terms, for claims under Title VII of the 1964 Civil Rights Act or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention.(Effective June 17, 2010; Applicable to subcontracts in excess of \$1 million)

5. Anti-Corruption Compliance

SELLER agrees that neither it nor any related person shall, in the name of, on behalf of, or for the benefit of Field or any of its officers, directors or employees, offer, pay, promise to pay, or authorize the payment of any money, or offer, give, promise to give, or authorize the giving of anything of value to anyone while knowing or being aware of a high probability that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly to such person for the purposes of: (i) influencing any act or

decision; (ii) inducing such person to use his or its influence with a third party thereof to affect or influence any act or decision of such third party, in order to assist the obtaining or retaining of business for or with, or directing business to Field or (iii) securing any improper advantage.

SECTION III: ADDITIONAL CNTPO PROVISIONS

1. ORGANIZATIONAL CONFLICT OF INTEREST

- (a) It is recognized by the parties hereto that the effort to be performed by the SELLER under this contract may include advisory and assistance services; a myriad of systems engineering efforts; support in the preparation of specifications and work statements; technical evaluation of other contractors products and services; and access to other contractors' proprietary information. Consequently, performance of this contract creates potential organizational conflicts of interest such as are contemplated by Federal Acquisition Regulation (FAR) 9.505. It is the intention of the parties that the SELLER will not engage in any other contractual or other activities which could create an organizational conflict of interest with its position under this contract; which might impair its ability to render unbiased advice and recommendations; or in which it may derive an unfair competitive advantage as a result of knowledge, information, and experience gained during the performance of this contract. Therefore, the SELLER agrees that it will seek the prior written approval of Field on the present acquisition and the Contracting Officer on the other contract (if required) before participating in any CNTPO contract as a contractor, team member, subcontractor, or consultant to provide material, equipment or services. Field will consider the requests for written approval on a case-by-case basis. This provision shall have effect throughout the period of performance of this contract, any extensions thereto by change order or supplemental agreement, and for one (1) year thereafter. Participation in any acquisition described above, without express written approval from Field, may be grounds for termination of the CNTPO Program contract. Field may terminate this contract for default, disqualify the SELLER for subsequent related contractual efforts, and pursue such other remedies as may be permitted by law or this contract, upon determination that an OCI has occurred.
- (b) The effort to be performed under this contract may include providing systems engineering and technical direction; input to preparation of specifications and scopes of work; assistance to Field and the Government during technical evaluations of other contractor's offers and products; and access to third-party proprietary information. Such activities create a significant potential for certain conflicts of interest, as set forth in FAR 9.505-1, 9.505-2, 9.505-3, and 9.505-4. It is the intention of the parties hereto to prevent both the potential for bias in connection with the SELLER's performance of this contract, as well as the creation of any unfair competitive advantage as a result of knowledge gained through access to third-party proprietary information.
- (c) Whenever performance of this contract requires access to another contractor's proprietary information, the SELLER shall (i) enter into a written agreement with the other entities involved, as appropriate, in order to protect such proprietary information from unauthorized use or disclosure for as long as it remains proprietary; and (ii) refrain from using such proprietary information other than as agreed to, for example to provide assistance during technical evaluation of other contractors' offers or products under this contract. An executed copy of all proprietary information agreements by individual personnel or on a corporate basis shall be furnished to Field within fifteen (15) calendar days of execution.

- (d) In addition, the SELLER shall inculcate upon its employees, through appropriate means (such as formal training and promulgation of company policies and procedures) the principles of FAR Subpart 9.5. Such inculcation shall include, but not be limited to, training to ensure that employees refrain from using or disclosing proprietary information except as provided by executed agreement or as allowed by the contract. Further, the SELLER shall obtain from each of its employees, whose anticipated responsibility in connection with the work under this contract may be reasonably expected to involve access to such proprietary information, a written agreement, which, in substance, shall provide that such employee will not, during its employment by the SELLER, or thereafter, improperly disclose such data or information.
- (e) The SELLER shall hold Field and the government harmless and will freely indemnify Field and the government as to any cost/loss resulting from the unauthorized use or disclosure of any third-party proprietary information by its employees, the employees of subcontractors, or by its agents.
- (f) For breach of any of the above restrictions or for nondisclosure or misrepresentation of any relevant facts required to be disclosed concerning this contract, the government reserves the right to terminate this contract for default, disqualify the SELLER for subsequent related contractual efforts, and to pursue such other remedies as may be available under law. If in compliance with this clause, the SELLER discovers and promptly reports an organizational conflict of interest subsequent to contract award, Field may choose to undertake termination of this contract for convenience of Field and the government, when such termination is deemed to be in the best interest of Field and the government.
- (g) The SELLER will include the same provisions as are expressed in this clause, including this paragraph, in all subcontracts and teaming arrangements awarded for performance of any portion of this requirement. Subcontract and teaming arrangement restrictions will be limited, however, to the technical area(s) addressed in the specific statements of work in the given task orders. The subcontractor or team member shall not participate in any CNTPO contract or task order in the applicable technical area(s) without written approval of the Field. This restriction is applicable throughout the period of performance of the subcontract or teaming arrangement, and any extensions thereof by change order or supplemental agreement, and for one (1) year thereafter. This clause shall be included in any subcontracts awarded under this Contract. The use of this clause in such subcontracts shall be read by substituting "your company name" for "Field" or "point of contact for contractual matters."

2. EMPLOYEE COMPENSATION IN FOREIGN COUNTRIES:

- (a) Regarding differentials and allowances in compensation costs for SELLER's employees performing in foreign countries, the parties agree to the following:
- Portions, as specified below, of the Department of State Standardized Regulations (DSSR), shall be complied with for SELLER (and, if applicable, subcontractor) employees performing in foreign countries. (The DSSR can be accessed at www.state.gov/m/a/als/c1843.htm.)
- (b) When applicable, "Post Hardship Differential," in accordance with DSSR Chapter 500; and "Danger Pay Allowance," in accordance with DSSR Chapter 650 and Post Allowance in accordance with DSSR Chapter 220, shall be added **to the**

employee's base labor category rate. The percentages of base pay to be applied shall be the then-current rates identified by the State Department for the specific foreign location where the employee is performing (see http://www.state.gov/rates/by_location.asp for rates, which are revised quarterly.) Base pay scale is the same as for SELLER employees performing the same job in the United States.

(Note that DSSR Section 541 a. specifies that an employee performing in a location qualifying for "Danger Pay Allowance" does not qualify for Post Hardship Differential until the employee has served at such a location for a period of 42 consecutive days or more, at which time the Post Hardship Differential may be granted at the prescribed rate for the number of days served, beginning the first day of detail.) Note, for proposal purposes, assume that all employees are in-country (OCONUS) more than 42 days; therefore, all proposed employees will receive Post Hardship Differential Pay from day one, if Hardship Differential is applicable to that country.. Per the DSSR, if Danger Pay is not involved, an employee(s) will not receive Hardship Differential Pay until day 42 of their OCONUS stay in that country.

Reference DSSR Section 652 d: Hardship Differential rates will be adjusted to remove credit for political violence for those employees receiving Danger Pay, if so noted In the DSSR Allowances Tables (e.g., see Bolivia Allowance Table rates.) Employees will be eligible to receive Post Hardship differential rates in addition to Danger Pay, if so noted in the DSSR Allowance Tables (e.g. see Afghanistan Allowance Table rates.)

3. COMMERCIAL COMPUTER SOFTWARE LICENSES:

Unless otherwise approved by Field, commercial computer software licenses shall designate the U.S. Government (represented by Field) as a contingent licensee, able to replace the SELLER as the primary licensee upon notifying the licensor. A copy of the negotiated license shall be furnished to Field. Per DFARS 227.7202, the terms of the licenses cannot be inconsistent with Federal procurement law and must satisfy user needs. This includes the SELLER's / subcontractor's needs for the software to perform this contract and Field and the Government's needs for the software to accomplish Field and the Government's ultimate objectives. At a minimum, this shall include the rights to make an archive copy of the software, to relocate the computer on which the software resides, to re-host the software on a different computer, to permit access by support contractors, and to permit Field or the Government to transfer the license to another contractor.

4. UNIQUE ITEM IDENTIFICATION AND VALUATION:

As of 1 January 2004, all DoD contracts are required to include a clause mandating the bar-coding of all material delivered under DoD contracts. The purpose of UID is so that the Government will have the ability to know the quantity, location, condition, and value of assets it owns; safeguard its assets from physical deterioration, theft, loss, or mismanagement; prevent unnecessary storage and maintenance costs or unnecessary purchase of items already on hand; and determine the full costs of Government programs that use these assets. The clause 252.211-7003, is included in full text in Section I of this document. Information on the Department of Defense unique item identification can be found on the DoD web site at <http://www.acq.osd.mil/uid>.

5. SELLER-WORKFORCE RESPONSIBILITY

In performing task orders under this contract, the SELLER shall use only fully trained, experienced, and technically proficient personnel. Training of SELLER personnel will be performed by the SELLER at its expense except when Field has given prior approval for training to meet the requirements that are specifically peculiar to a particular task.

6. GOVERNMENT- SELLER RELATIONSHIPS

- (a) SELLER personnel under this contract shall not:
- (1) be placed in a position where they are appointed or employed by a Federal Officer, or are under the supervision, direction, or evaluation of a Federal Officer, military or civilian;
 - (2) be placed in a staff or policy making position;
 - (3) be placed in a position of command, supervision, administration or control over DA military or civilian personnel, or personnel of other contractors, or become a part of the Government organization;
 - (4) be used for the purpose of avoiding manpower ceilings or other personnel rules and regulations of DA or other applicable Federal Agencies;
 - (5) be used in administration or supervision of military procurement activities.
- (b) Employee relationship. The services to be performed under this contract do not require the SELLER or its employees to exercise personal judgment and discretion on behalf of Field or the Government, but rather the SELLER's employees will act and exercise personal judgment and discretion on behalf of the SELLER.
- (c) All SELLER personnel attending meetings, answering Government telephones, and working in other situations where their SELLER status is not obvious to third parties are required to identify themselves as such to avoid creating an impression in the minds of members of the public or Congress that they are Government officials, unless, in the judgment of the agency, no harm can come from failing to identify themselves. They must also ensure that all documents or reports produced by SELLERs are suitably marked as SELLER products or that SELLER participation is appropriately disclosed.

7. OTHER DIRECT COSTS-TRAVEL

Cost for travel, subsistence, and lodging shall be paid to the SELLER only to the extent that it is necessary for performance of task orders under this contract. Only per diem that does not exceed the maximum rates set forth in the following shall be considered to be reasonable:

- (a) Federal Travel Regulations (in effect at the time of travel) prescribed by the General Services Administration for travel in the contiguous 48 United States;
- (b) Joint Travel Regulations Volume 2, DoD Civilian Personnel, Appendix A, prescribed by the Department of Defense for travel in Alaska, Hawaii, The Commonwealth of Puerto Rico, and the territories and possessions of the United States;
- (c) Standardized Regulations, (Government Civilians, Foreign Areas), Section 925, "Maximum Travel Per Diem Allowances in Foreign Areas" prescribed by the Department of State, for travel in areas not covered in (a) and (b) above.

The application of the rates described above would not constitute a reasonable charge (1) when no lodging costs are incurred; (2) more than one person/employee uses the same room for lodging; and/or (3) on partial travel days (e.g., day of departure and return). Appropriate downward adjustments from the maximum per diem rates shall be required under these circumstances. Fractional parts of a day shall be payable on a prorated basis for purposes of billing for per diem charges attributed to subsistence on days of travel. Fractional billing shall be on a 1/4, 1/2, and 3/4 basis.

To the extent available, suitable Government quarters, messing, and surface transportation facilities may be use. General and administrative expense is allowable if travel is normally part of the SELLER's G&A base.

Field will not reimburse the SELLER for local travel. Local travel is defined as travel within the area of a 50-mile radius of the primary place of performance.

Only actual transportation fare via the most direct routes (non-first class) between place of origin and destination is reasonable. Cost for delays enroute (excluding Government-caused delays, unavoidable airline schedule delays, and major acts of nature causing an unavoidable delay) are not reasonable. Per diem is reasonable only when paid at Joint Travel Regulation (JTR) rates. To the extent available, suitable Government quarters, messing, and surface transportation facilities may be used.

Per diem shall be limited to payments to employees for authorized per diem, as described above, and is not to exceed the authorized per diem. The SELLER shall retain supporting documentation for per diem paid to employees as evidence of actual payments.

It is not reasonable to pay for travel for SELLER's personnel performing services at the SELLER's home facility or their official duty station or at any location within a 50-mile driving radius of the SELLER's home facility or their home duty station.

The SELLER agrees, in the performance of necessary travel, to use the lowest cost mode commensurate with the requirements of the mission. When it is necessary to use air or rail travel, the SELLER agrees to use coach, tourist class or similar accommodations to the extent consistent with the successful and economical accomplishment of the mission for which the travel is being performed. Documentation must be provided to substantiate non-availability of coach or tourist class.

8. PHYSICAL SECURITY OF SELLER FACILITIES:

The SELLER agrees to maintain its facilities in accordance with the applicable requirements of Department of Defense Instruction 4145.26M as referenced in DFARS 252.223-7002. Supplies procured under this contract are identified as sensitive material under DOD 5100.76-M (Physical Security of Sensitive Conventional Arms, Ammunition and Explosives at contractor facilities), requiring physical security and transportation in accordance with DOD 5100.76-M.

9. TRANSPORTATION SECURITY REQUIREMENTS

Supplies procured under this contract identified as Sensitive, requiring Transportation Protective Service (TPS) in accordance with Defense Transportation Regulation, DoD 4500.9, Part II, Chapter 205, dated May 2003 and Department of Defense Manual, DoD 5100.76M, Physical Security of Sensitive Conventional Arms, Ammunition and Explosives, dated Aug 2000, as added to, or amended by, applicable military service policies in accordance with guidance provided by Defense Logistics Agency (DLA), Defense Contract Management Agency

(DCMA), or other components assigned to provide contract administration services (CAS) within designated/delegated geographic areas as specified under DoD 4105.59H, DoD Directory of Contract Administration Service Components, dated January 1985, and subsequent issues thereof for offshore/OCONUS procurements.

10. TRANSPORTATION SECURITY REQUIREMENTS FOR SELLER -TO-CONTRACTOR SHIPMENTS

- (a) Supplies procured or furnished under this contract/subcontract, which are shipped between two or more contractors, and which are qualified as sensitive in accordance with Department of Defense (DoD) Regulation 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition and Explosives, dated Aug 2000, or are shipped as DOT Class A or B Explosives, require special Transportation Protective Service (TPS) during shipment from all points of origin to all destinations. TPS will be equivalent to the DoD security standard for the applicable sensitivity category or explosive class identified under DoD 4500.9, Part II, Chapter 203, dated May 2003, as added to or amended by applicable military service policies in accordance with guidance provided by Defense Logistics Agency (DLA)/Defense Contract Management Agency (DCMA).
- (b) Shipper's DCMA transportation offices will furnish assistance in providing the sensitive category of items to be shipped, determining the TPS required, and obtaining the TPS from commercial carriers as necessary.
- (c) This clause must be entered in all contracts/subcontracts at any tier.

11. TRANSPORTATION SECURITY REQUIREMENTS FOR GOVERNMENT OWNED/ SELLER OPERATED SHIPMENTS

- (a) Supplies procured or furnished under this contract/subcontract, which are shipped between two or more contractors, and which are qualified as sensitive in accordance with Department of Defense (DoD) Regulation 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition and Explosives, dated Aug 2000, or are shipped as DOT Class A or B Explosives, require special Transportation Protective Services (TPS) during shipment from all points of origin to all destinations. TPS will be equivalent to the DoD security standard for the applicable sensitivity category or explosive class identified under DoD 4500.9, Part II, Chapter 203, dated May 2003, as added to or amended by applicable customer/military service policies in accordance with guidance provided by the Contracting Officer Representative (COR), Technical Monitor (TM) or the Administrative Contracting officer (ACO).
- (b) Transportation officers/offices will furnish assistance in providing the sensitive category of items to be shipped, determining the TPS required, and obtaining the TPS from commercial carriers as necessary.
- (c) This clause must be entered in all contracts/subcontracts at any tier.

12. OCONUS OPERATIONS

This contract also contains DFARS 252.225-7040, CONTRACTOR PERSONNEL SUPPORTING A FORCE DEPLOYED OUTSIDE OF THE UNITED STATES. Any inconsistency between that provision and this provision on items addressed by both shall be interpreted in favor of the DFARS provision.

Field may direct the SELLER to perform outside the continental United States (OCONUS), as provided by law or defined by Field and the applicable Army Service Component Command. In the

event Seller's employees are deployed OCONUS in support of this contract, the following items and conditions will apply:

(a) Accounting for Personnel:

- (1) SELLER and subcontractor personnel shall not be deployed to an OCONUS area without prior notification to and approval of Field. The SELLER shall report to Field its employees entering and leaving the area of operations and shall report its employees in the area of operations by name and by location.
- (2) The deployed employee has ultimate responsibility for ensuring data is updated each time the deployed individual changes duty location, e.g., upon arrival/departure from CONUS Replacement Center (CRC); upon arrival at the supported unit/organization; assignment to another unit/location; departure from the unit of assignment, etc. Data must be updated each and every time there is a change in duty location while deployed.

(b) Central Processing and Departure Point.

- (1) As directed by Field, the SELLER is responsible for processing its personnel deploying in support of CNTPO operations. SELLER employees deploying OCONUS will process through designated location as directed by Field.
- (2) When processing for deployment the following information is required:
 - (i) Name, rank and social security number. (Unless otherwise noted on the LOA, SELLER personnel are identified as "Contractor" with either GS-12E or GS-13E equivalency depending on whether or not responsibilities include supervising/managing other SELLER personnel. There are no other rank equivalencies for contractors.)
 - (ii) Destination.
 - (iii) Whether or not Government provided air transportation is needed.
 - (iv) Latest arrival date, i.e., the latest date personnel can arrive in theater and still accomplish the mission.
 - (v) Contracting agency (U.S. Army Space and Missile Defense Command) with POC and telephone number.
 - (vi) The authority for the individual to deploy, e.g., LOA from the contracting officer.
 - (vii) A 24/7 corporate POC, telephone number, and email address.
- (3) SELLERs shall assure that their employees conclude as much of the pre-deployment processing and training requirements as possible at their home station prior to arrival at the CRC. SELLER employees should bring an Individual Readiness File, including two copies each of medical and dental examinations (less than 12 months old), a 180-day supply of necessary medical prescriptions, and a current eyeglass prescription. One copy will ship with the employee, and the other will be retained on file at the CRC.
- (4) For any SELLER employee determined by the government at the deployment-processing site to be non-deployable for debilitating health problems or failure to have a security clearance when one is required, the SELLER shall promptly remedy the problem. If the problem cannot be remedied in time for deployment, a replacement having equivalent

qualifications and skills shall be provided in time for scheduled deployment.

- (5). The SELLER shall ensure that all deploying employees receive all required mission training and successfully complete the training.

(c) Government-Owned Weapons and Training.

- (1) Whether SELLER personnel will be permitted to carry a government furnished weapon for self-defense purposes in the Area of Operations (AO) is at the discretion of the Theater Commander. However, SELLER personnel will not possess personally owned firearms in the AO.
- (2) The Theater Commander may, at his discretion, issue government-owned weapons and ammunition for self-defense to the SELLER employees. Acceptance of government-owned weapons by SELLER employees is at the discretion of the SELLER and the SELLER employees. If accepted the SELLER will maintain a listing of employees possessing a government firearm. SELLER will notify Field in writing within five (5) calendar days of name, location and issuing government agency of SELLER'S personnel issued government-owned weapons. SELLER will also notify Field in writing within five (5) calendar days with name, location and receiving government agency when SELLER'S personnel returns such weapons. When accepted, the SELLER employee is responsible for using the weapon in accordance with the rules of engagement issued by the Theater Commander. The SELLER employee is legally liable for any use that is not in accordance with host nation law, international law, and the rules of engagement. Only military issued ammunition may be used in the weapons.
- (3) SELLER will screen employees, and subcontractors, to ensure that employees may be issued a government weapon in accordance with U.S. and applicable host nation laws. Evidence of screening will be presented to Field.
- (4) Prior to issuing any government weapons to SELLER employees, the government will provide the SELLER employees with weapons familiarization training commensurate to training provided to Department of Defense civilian employees. The SELLER shall not issue government weapons to employees who have not had proper training.
- (5) The SELLER shall ensure that its employees adhere to all guidance and orders issued by the Theater Commander or his/her representative regarding possession, use, safety, and accountability of government weapons and ammunition, and shall comply with all related DOD regulations.
- (6) Upon redeployment or notification by the government, the SELLER shall ensure that all government issued weapons and ammunition are returned to government control.

(d) Transport of Company-Owned Weapons and Ammunition by SELLER Personnel.

- (1) SELLER personnel are permitted to transport company-owned weapons, required by contract, into theaters of operation via government- furnished aircraft, provided that the following conditions are met --

- (i) The SELLER company has been so authorized in writing by the theater commander or, where appropriate, by the Coalition Provisional Authority (CPA), and
 - (ii) The letter of authorization to the individual SELLER employee includes authorization to carry a company-owned weapon.
- (2) The SELLER company is responsible for providing military transportation officials with --
- (i) Timely information about the authorization of company-owned weapons for their SELLER personnel, including a copy of any contract provisions pertaining to weapons training, storage or transport.
 - (ii) An inventory of company-owned weapons to be transported into the theater, including the serial number of each weapon and the name of the individual responsible for the weapon.
- (3) The CONUS replacement center or other deployment processing site will arrange for the secure storage of company-owned weapons for deploying SELLER personnel on site. The contractor is responsible for training SELLER personnel on company-owned weapons. The SELLER will certify to the contracting officer and military transportation officials that such training has been accomplished prior to government shipment of any such company-owned weapon.
- (4) SELLER companies will supply FAA-approved containers for the storage of company-owned weapons during flight. Prior to departure for theater, company-owned weapons will be inventoried, matched to the manifest, placed in such containers, and stored in the aircraft cargo hold. Weapons will not be carried aboard with passengers.
- (5) No ammunition will be placed on government-furnished aircraft transporting personnel. All ammunition will be drawn in the theater.
- (6) SELLER must insure they are in compliance with applicable foreign clearance guidance on the transport of weapons.

13. ASSIGNMENT OF RIGHTS

Per DFARS 252.227-7020, Rights in Special Works, [all works] first produced, created, or generated under the contract and required to be delivered must contain the following notice: "© (Year date of delivery) United States Government, as represented by the Secretary of the Army. All rights reserved." In addition, the contractor hereby relinquishes any rights to use or disclose such works beyond what is required by the contract or specifically approved by the Government.

14. ARMING FOR DOD SELLERS

U.S. CENTCOM PERSONAL PROTECTION ARMING FOR DOD CONTRACTORS (13 June 2007)

SELLER agrees to comply with, and to insert into all subcontracts where persons will be armed for personal protection, this contract clause and its requirements as provided below. Applicable U.S. CENTCOM arming requests shall include this clause. All required SELLER deliverables and reporting requirements under this contract clause shall be provided to Field for this contract.

- (a) Definitions and personal protection arming.

- (1) Definitions. In reference to the arming of SELLER provisions of this contract, the term SELLER means all persons or entities, including subcontractors at any tier, who have entered into a contract with Field where said SELLER has employees who request arming for personal protection and are present in Iraq pursuant to such contract.
 - (2) Personal protection arming. SELLER employees in Iraq may request personal protection arming only as provided pursuant to U.S. CENTCOM or delegee orders, guidance or instructions. All personal protection arming requests shall be voluntary and will contain information required by U.S. CENTCOM or subordinate commands' orders or regulations, as well as the endorsement of/coordination with the supported DoD command.
- (b) U.S. CENTCOM Compliance. SELLER shall comply with all procedures and requirements contained within U.S. CENTCOM messages.
- (1) A lapse in training required by this contract voids any existing arming approval for the individual whose training has lapsed. A SELLER employee whose training has lapsed shall not carry a weapon until training is accomplished and Field has been notified and determined that all required training has been completed.
 - (2) SELLER agrees to obey U.S. CENTCOM, Multi-National Force Commander and Multi-National Corps Commander orders, instructions and directives, including orders pertaining to arming of private security companies. SELLER will ensure that all SELLER employees, including employees at any tier of subcontracting relationships, armed under the provisions of this contract have been trained or documentation has been completed.
- (c) Authorized Weapons and Ammunition List. The items authorized for use by the SELLER shall be defined by the U.S. CENTCOM or designee (MNF-I or MNC-I at present) weapons authorization in accordance with U.S. CENTCOM policy, orders and regulations. The weapons and ammunition authorization shall be incorporated as a part of this contract and all of its provisions shall be complied with by the SELLER and its employees receiving such authorization.
- (d) Background and Qualification Investigations. SELLER agrees to undertake investigations of background and qualifications of SELLER personnel and certify that all persons armed under this contract are not prohibited under U.S. law to possess firearms, to include compliance with the Gun Control Act of 1968, paragraph (g) and (d).
- (1) The SELLER shall provide Field with a plan for accomplishing background checks within 15 days after request is made to arm an employee for personal protection, to include compliance with applicable provisions of the Gun Control Act of 1968, paragraph (g) and (d). Field may require the SELLER to make changes or additions to the proposed background check plan until it is found acceptable to Field.
 - (2) SELLER shall verify with MNC-I Provost Marshal that no employee has been barred by any commander from any installation or major subordinate command within Iraq prior to hiring any employee.
- (e) Written Acknowledgement of Liability. SELLER acknowledges, by signing this contract or subcontract, that

employees armed in relation to this contract and the use of weapons could subject the SELLER and their employees to United States and Host Nation prosecution and civil liability. The term Host Nation refers to nation or nations where services under this contract are performed. The SELLER shall obtain an acknowledgement from all employees armed under this contract within 10 days of award to its subcontractor(s) that violations of applicable rules for the use of force or that the use of weapons can result in termination of authorization to carry weapons on this contract and subject SELLER and SELLER's employees to United States and Host Nation criminal and/or civil liability. SELLER shall verify that all subcontractors insert this acknowledgement of liability clause and the clause regarding written acknowledgement clause, in the paragraph immediately following in all subcontracts at any tier to this contract. SELLER further acknowledges in accordance with paragraph 6.3.5.3.7 of DoDI 3020.41 that proof of authorization must be carried by each employee or subcontractor carrying weapons under this contract; that contingency SELLER personnel may possess only U.S. Government-issued and/or approved weapons and ammunition for which they have been qualified under the provisions of this contract; personnel armed for personal protection were briefed and understand limitations on the use of force; and authorization to possess weapons and ammunition may be revoked for non-compliance with established rules for the use of force.

(f) Written Acknowledgements. SELLER will comply with the acknowledgement and training requirements in DoDI 3020.41, SELLER Personnel Authorized to Accompany the U.S. Armed Forces, and other training or requirements specified by Field for this contract. SELLER hereby agrees that it will comply with the following requirements for all employees, employed at the time of signing this contract and subsequently hired.

(1) Weapons Training. The SELLER will provide individual weapons familiarization training for all employees who will carry weapons under this contract to include battle sight zero (on weapons capable of such adjustment) that each SELLER will be utilizing. Training will be accomplished to U.S. Army weapons qualification standards and will be communicated to the SELLER by Field, unless another standard of qualification substantially meeting U.S. Army weapons qualification standard is agreed in advance (e.g., for AK-47s). This training may be specified by Field or designated representative. Weapons training will be documented on a weapons qualification forms DA Form 88-R and DA Form 3595-R or such records or forms that may be specified by Field or designated representative. This training shall be conducted on a repetitive basis at least every twelve months.

(2) Law of Armed Conflict (LOAC) and Rules for the Use of Force (RUF).

(i) The SELLER will provide training on LOAC and RUF as specified by Field or designated representative. SELLERS who are armed under this contract will obtain a signed written acknowledgement form for each of their employees authorized to bear weapons under this contract that they have been briefed on LOAC, RUF and understand the differences between rules of engagement (ROE) and RUF, namely that RUF controls the use of weapons by SELLERS employed by the United States Government and that the SELLER may not use ROE at any time for use of force decisions.

(ii) LOAC and RUF training will be documented as specified by Field or designated representative. The SELLER shall brief RUF to its employees armed under this contract not less than on a weekly basis, and such training shall be documented and made available to Field upon request within 24 hours of such request. SELLER shall provide refresher LOAC training to its employees armed under this contract every six months. In particular, LOAC training will include restrictions on firing on persons who have surrendered or are out of combat due to wounds/injuries. LOAC training will also will discuss requirement to render first aid to the best of the SELLER's ability and contact medical response units to obtain medical care for wounded, safety permitting. LOAC training will also include training contractors armed under this contract on requirement to report all escalation of force incidents pursuant to current MNF-I and MNC-I orders. SELLERS will train all employees armed under this contract that they must comply the provisions of the Geneva Convention Relative to the Treatment of Prisoners of War, August 12, 1949 (see <http://www.unhcr.ch/html/menu3/b/91.htm>) in accordance with DoDI 3020.41. A copy of the Geneva Convention Relative to the Treatment of Prisoners of War, August 12, 1949, must be given to all employees authorized to carry weapons.

(3) Screening of Employees. The Contractor will perform background checks and screening of their employees to include determining if any employee is prohibited from possessing or carrying a weapon or ammunition under applicable United States law. This determination will include an individual certification that each employee has not been convicted of a domestic violence crime on DD Form 2760, Qualification to Possess Firearms or Ammunition, or other forms specified by the Government Contracting Officer or designated representative.

(4) Documentation/Inspection. SELLER will provide copies of documentation and acknowledgements to Field for inspection as soon as possible but not later than 15 days after an employee has been approved for arming and such approval has been communicated to the SELLER. SELLER shall not be permitted to carry weapons until required acknowledgements, forms and information is received, found acceptable by Field and arming authorization is granted. SELLER will provide required training, documentation and acknowledgements for each employee subsequently hired after contract award within 15 days of their arrival in Iraq unless otherwise agreed by Field.

(5) Retention and Review of Records. The SELLER shall maintain records on weapons training, LOAC, RUF and screening of employees for the duration of this contract and a six month time period after contract termination or expiration. The SELLER shall make records relating to weapons training, LOAC, RUF and screening of employees available to Field at no additional cost to Field within 24 hours of any request.

(g) Communication Plan. The SELLER shall describe a communications plan to include a description of how relevant threat information will be shared between SELLER security personnel and U.S. military forces, including how appropriate assistance will be provided to SELLER security personnel who become engaged in hostile situations in accordance with DoDI 3020.41, paragraph 6.3.5.3.3. The SELLER shall also include a proposed plan to coordinate transportation with appropriate military authorities in

accordance with DoDI 3020.41, paragraph 6.3.5.3.2 requirements concerning same. The communication plan will be coordinated with military units responsible for areas that SELLER will be transiting through.

- (h) **Reporting.** SELLER will report quarterly to Field the number of civilians and contractors armed under this contract, general scope of work of the armed employees and the contract number of their current contract or subcontracts that have employees armed under this contract or arming authorization. The information under this reporting requirement will be due not later than 1 January, 1 April, 1 July, 1 October and 31 December of each year, and will commence on the first reporting date (above) that occurs after arming authorization is granted by the appropriate authority (e.g., U.S. CENTCOM, MNF-I or other organization authorized under the provisions of DoDI 3020.41).
- (i) **Jurisdiction.** The SELLER shall comply with all notification requirements of DoD Instruction 5525.11, Criminal Jurisdiction Over Civilians Employed By or Accompanying the Armed Forces Outside the United States, Certain Service Members, and Former Service Members. Each employee shall execute a written acknowledgement of receipt of notification. The SELLER shall maintain a copy of each employee's written acknowledgement of receipt of the notification and shall provide the same upon request by the Government Contracting Officer. Questions concerning the applicability of this clause should be directed to Field.
- (j) **Law of War Reporting Requirements.** SELLER must comply with the provisions of DoD Directive 2311.01, DoD Law of War Program, 9 May 2006, stating policies and responsibilities ensuring DoD compliance with the law of war responsibilities of the United States. The reporting requirements for this program are in addition to the escalation of force reporting requirements. Provisions of this Directive that are applicable to the SELLER include:
 - (1) Compliance with the law of war: paragraph 4.1 provides that the DoD Contractor complies with the law of war during all armed conflicts, however such conflicts are characterized, and in all other military operations.
 - (2) Definition of Reportable Incident: paragraph 3.2 provides criteria for reportable incidents, e.g., that a reportable incident shall be based on credible information.
 - (3) Application of Policy to SELLER's: DoDD 2311.01 extends reporting requirements and compliance with specified policies contained in the Directive to SELLERs in paragraph 4.2. This Directive also includes several provisions requiring oversight of SELLERs, including paragraph 5.7.4 (work statements must comply with the policies in this Directive and SELLERs must have programs to prevent violations of the law of war by their employees and subcontractors); paragraph 5.8.7 (incident reports must be forwarded for review for prosecutory action); and paragraph 6.3 (requiring incident reporting through the chain of command and to the commander of the unit they are accompanying or the installation to which they are assigned, or to the Combatant Commander).
 - (4) DoDD 2311.01 can be found at the following link: <http://www.dtic.mil/whs/directives/corres/html/231101.htm>.
- (k) **Firing of weapons, reporting and investigations.** SELLER shall comply with reporting and investigation requirements regarding SELLER employees' firing of their weapon per

MNF-I and MNC-I Commanders orders and guidance and have each employee execute a written acknowledgement of receipt of notification. Reports will be submitted to Field.

- (l) **Contractor Employee Acknowledgment.** SELLER shall require all employees to review, understand/comprehend and sign the following items as discussed above, which are incorporated by reference to this contract.
 - (1) The U.S. CENTCOM Message, MNF-I and MNC-I FRAGOs (current at the execution or modification of this contract) regarding civilian arming.
 - (2) Individual acknowledgements for each employee.
 - (3) U.S. CENTCOM Rules for the use of Force (RUF).
 - (4) DD Form 2760, Qualification to Possess Weapons and Ammunition.
 - (5) LOAC Training.

15. PUBLIC RELEASE OF INFORMATION

- (a) In accordance with DFARS 252.204-7000, Disclosure of Information, the SELLER shall not release to anyone outside the SELLER's organization any unclassified information, regardless of medium (e.g., film, tape, document), pertaining to any part of this contract or any program related to this contract, unless the SELLER has written approval or the information is otherwise in the public domain before the date of release.
- (b) Requests for approval shall identify the specific information to be released, the medium to be used, and the purpose for the release. The SELLER shall submit its request to Field at least 45 days before the proposed date for release. All material to be cleared shall be sent by certified mail/return receipt requested to the Field procurement contact.
- (c) The SELLER agrees to include a similar requirement in each subcontract under this contract. Subcontractors shall submit requests for authorization to release through the SELLER.

16. DISTRIBUTION CONTROL OF TECHNICAL INFORMATION

- (a) The following terms applicable to this clause are defined as follows:
 - (1) Technical Document. Any recorded information that conveys scientific and technical information or technical data.
 - (2) Scientific and Technical Information. Communicable knowledge or information resulting from or pertaining to conducting and managing a scientific or engineering research effort.
 - (3) Technical Data. Recorded information related to experimental, developmental, or engineering works that can be used to define an engineering or manufacturing process or to design, procure, produce, support, maintain, operate, repair, or overhaul material. The data may be graphic or pictorial delineations in media such as drawings or photographs, text in specifications or related performance or design type documents, or computer printouts. Examples of technical data include research and engineering data, engineering drawings, and associated lists, specifications, standards, process

sheets, manuals, technical reports, catalog-item identifications, and related information and computer software documentation.

- (b) Except as may otherwise be set forth in the Contract Data Requirements List (CDRL), DD Form 1423, (i) the distribution of any technical document prepared under this contract, in any stage of development or completion, is prohibited without the approval of Field and (ii) all technical documents prepared under this contract shall initially be marked with the following distribution statement, warning, and destruction notice:

- (1). DISTRIBUTION STATEMENT F - Further dissemination only as directed by Field.
- (2). WARNING - This document contains technical data whose export is restricted by the Arms Export Control Act (Title 22, U.S.C., Sec 2751 et seq.) or the Export Administration Act of 1979, as amended, Title 50, U.S.C., app 2401 et seq. Violation of these export laws are subject to severe criminal penalties. Disseminate in accordance with provisions of DOD Directive 5230.25.
- (3). DESTRUCTION NOTICE - For classified documents, follow the procedures in DOD 5220.22-M, National Industrial Security Program Operating Manual (NISPOM), Chapter 5, Section 7, or DOD 5200.1-R, Information Security Program Regulation, Chapter IX. For unclassified, limited documents, destroy by any method that will prevent disclosure of contents or reconstruction of the document.

- (c) As a part of the review of preliminary or working draft technical documents, Field will determine if a distribution statement less restrictive than the statement specified above would provide adequate protection. If so, Field's approval/comments will provide specific instructions on the distribution statement to be marked on the final technical documents before primary distribution.

17. ENVIRONMENTAL

The Seller agrees to the following:

- (a) All activities performed under this contract shall be conducted in accordance with Federal, State, and local environmental laws and regulations.
- (b) Any facility to be used in the performance of this contract shall be in compliance with all Federal, State, and local environmental laws and regulations for its intended use.

18. PATENTS – REPORTING OF SUBJECT INVENTIONS

- (a) The interim and final invention reports shall be submitted on DD Form 882, Report of Inventions and Subcontracts, see <http://www.smdc.army.mil/Contracts/Contracts.html> and click on the Special Announcements link to see the instructions. In accordance with DFARS 252.227-7039 and FAR 52.227-12, interim reports shall be furnished every twelve (12) months and final reports shall be furnished within three (3) months after completion of the contracted work. In accordance with FAR 27.305-3(e), when a contractor fails to disclose a subject invention the applicable withholding of payments provision may be invoked.
- (b) The SELLER shall include the clause at DFARS 252.227-7039 in all subcontracts with small businesses and non profit organizations, regardless of tier, for experimental, developmental, or research work.

- (c) Field shall account for the interim and final invention reports submitted by the subcontractor(s). Field's invention reports shall contain a copy of each of the SELLER's invention reports.

19. CONTINUATION OF DOD SELLER SERVICES AT GOVERNMENT - FACILITIES WITHIN CONUS:

- (a) SELLER personnel who normally provide services at government facilities and who are designated as emergency personnel by a DoD Component are expected to use all means at their disposal to continue to provide such services, in accordance with the terms and conditions of the contract, during periods of crisis situations.
- (b) Overtime will be billed at straight time rates and will require prior Field approval for hours over forty (40) per week.
- (c) Field may take any of the following actions, depending on the severity and length of the situation:
- (1) In accordance with FAR 52.242-15, Field may, at any time, issue a written stop-work order to stop all or any part of the work called for under the contract. If a stop work order is issued, the contractor is required to take all reasonable steps to minimize the incurrence of costs allocable to the stopped work.
- (2) Direct SELLER's personnel designated mission essential emergency personnel to report to their duty station at government facilities as usual for continuing work not subject to any stop work order.
- (3) Direct non-essential SELLER's personnel who normally work at government facilities to report to their corporate office as their temporary duty station for work not subject to any stop work order.
- (4) Direct, on a case-by-case basis, non-essential SELLER's personnel who normally work at government facilities to telecommute for performance of work not subject to any stop work order.
- (d) For Task Orders performed under emergency situations within CONUS, the hours worked shall be billed at the rates specified in the Task Order, regardless of where performance takes place. This provision in no way relieves the SELLER's from performance of the direct productive person hours (DPPHs) as stated in the Task Order.
- (e) When required in emergency/crisis situations, the contractor shall report daily to the Technical Monitor the status and location of all DoD contractor employees. The Technical Monitor shall relay such information to-Field
- (f) Nothing in this provision shall be construed to change any element of the contract or the terms and conditions therein.

20. YEAR 2000 COMPLIANCE:

The SELLER shall ensure products provided under this contract, to include hardware, software, firmware, and middleware, whether acting alone or combined as a system, are Year 2000 compliant as defined in FAR Part 39.

21. DFAR 252.228-7001—AIRCRAFT GROUND AND FLIGHT RISK (SEP 1996)

- (a) "Aircraft" means—

- (1) Aircraft to be delivered to the government, either directly or via Field, under the subcontract or subcontract task order (either before or after government acceptance), including complete aircraft and aircraft in the process of being manufactured, disassembled, or reassembled; provided that an engine, portion of a wing, or a wing is attached to a fuselage of the aircraft; and
 - (2) Aircraft, whether in a state of disassembly or reassembly, furnished by the government to the SELLER, either directly or via Field, under the subcontract or task order, including all property installed, in the process of installation, or temporarily removed; provided that the aircraft and property are not covered by a separate bailment agreement.
- (b) The SELLER shall be responsible for all liability for damage, loss, or destruction of government-owned aircraft while in the SELLER's possession or control. The SELLER shall return the aircraft in a condition as good as when received, except for reasonable wear and tear or for the use of the property in accordance with the provisions of this contract. In the event that damage, loss, or destruction occurs, Field shall enforce liability against the SELLER for the benefit of the government.
 - (c) The SELLER agrees to be bound by the operating procedures contained in the combined regulation entitled *Contractor's Flight and Ground Operations* in effect on the date of Contract award.

22. DFAR 252.228-7002—AIRCRAFT FLIGHT RISK (SEP 1996)

- (a) The SELLER shall not under any circumstances provide any flight crew members under the Contract unless the SELLER has requested and received advance approval in writing, via Field, from the Government Flight Representative, who has been authorized in accordance with the combined regulation entitled *Contractor's Flight and Ground Operations* (Air Force Regulation 55-22, Army Regulation 95-20, NAVAIR Instruction 3710.1C, and Defense Logistics Agency Manual 8210.1). In emergency situations, the SELLER may request such advance approval directly from the government but shall notify Field of such request within 24 hours of submitting the request.
- (b) "Flight crew members" means the pilot, copilot, flight engineer, navigator, bombardier-navigator, and defense systems operator as required, when assigned to their respective crew positions to conduct any flight on behalf of the SELLER.